



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

TABORA URBAN WATER SUPPLY AND SANITATION AUTHORITY  
(TUWASA)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2023

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February 2024

AR/PA/TUWASA/2022/23

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### Abbreviations

CAG	Controller and Auditor General
EWURA	Energy and Water Utilities Regulatory Authority
FIFO	First in First Out
GePG	Government Electronic Payment Gateway
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISSAIs	International Standard of Supreme Audit Institutions
MoU	Memorandum of Understanding
NBAA	National Board of Accountants and Auditors
NAO	National Audit Office
NHIF	National Health Insurance Fund
PSSSF	Public Service Social Security Fund
SACCOS	Savings and Credit Cooperative Society
TEMESA	Energy and Water Utilities Regulatory Authority
TFRS	Tanzania Financial Reporting Standards
TUGHE	Tanzania Union of Government and Health Employees
TUWASA	Tabora Water Supply and Sanitation Authority
URT	United Republic of Tanzania



## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

The Chairperson,  
Board of Directors,  
Tabora Urban Water Supply and Sanitation Authority,  
P.O. Box 147,  
TABORA.

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the financial statements of Tabora Urban Water Supply and Sanitation Authority (TUWASA), which comprise the statement of financial position as at 30 June 2023, 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 Tabora Urban Water Supply and Sanitation Authority as at 30 June 2023, 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.

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of the Tabora Urban Water Supply and Sanitation Authority 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 the basis for my opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 [R.E 2020] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap 410 [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## **1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**

### **1.2.1 Compliance with the Public Procurement laws**

**Subject matter: Compliance audit on procurement of works, goods, and services**

I performed a compliance audit on the procurement of works, goods, and services in the Tabora Urban Water Supply and Sanitation Authority for the financial year 2022/23 as per the Public Procurement laws.

#### **Conclusion**

Based on the audit work performed, I state that procurement of works, goods and services of Tabora Urban Water Supply and Sanitation Authority is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

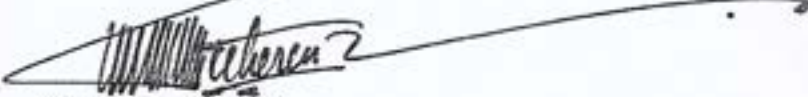
### **1.2.2 Compliance with the Budget Act and other Budget Guidelines**

**Subject matter: Budget formulation and execution**

I performed a compliance audit on budget formulation and execution in the Tabora Urban Water Supply and Sanitation Authority for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

#### **Conclusion**

Based on the audit work performed, I state that Budget formulation and execution of the Tabora Urban Water Supply and Sanitation Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

  
Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania.  
February 2024





### 2.5.3 Core Value

TUWASA Core Values are:-

- i. Service and business oriented and professional in approach and appearance;
- ii. Fair and accountable for the decisions they make in their areas of responsibility;
- iii. Prompt in the delivery of services and accessible;
- iv. Treat customers, colleagues and stakeholders with dignity and respect;
- v. Honest and have integrity in their dealings;
- vi. Committed and motivated to the achievement of TUWASA goals and objectives; and
- vii. Competent in the delivery of high-quality services.

## 2.6 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The Authority's current and future development and performance are explained hereunder:

### 2.6.1 Significant Aspects of the Statement of Financial Position

- a) The Financial position of the Authority is as shown in the Statement of Financial Position. The Net Asset of the Authority decreased from TZS 97,955,342,023 (2021/22) to TZS 97,458,440,542 in 2022/23. The decrease in Net Asset was due to adoption of economic useful life of assets (office furniture's, motor vehicle, plant and machinery) during the year as required by the Public Assets Management Guideline revised edition 2019.

### b) Ratio analysis

The ratio of total assets to total liabilities was 13.12:1 which indicated strong solvency. However, the current ratio was 0.80:1 which indicating that the Authority can not settle its short-term commitments as at 30 June 2023. The Authority statement of financial position shows that it is not in a comfortable and solvent position. The financial ratios of the Authority over the past five years are set out in table 1 below:

Table 1: Authority Financial Position Ratio Analysis

SN	Description	2022/23	2021/22	2020/21	2019/20	2018/19
1	Current Ratio (Current Assets divided by Current Liabilities)	0.80:1	1.0:1	1.:1	02:01	1.7:1
2	Acid/Quick Ratio (current assets minus Inventory then divide by current liabilities)	0.47:1	0.52:1	0.73:1	01:01	1.2:1
3	Gearing Ratio (Total Liabilities divide by Total Net Assets/ Equity)	0.08:1	0.08:1	0.19:1	0.16:1	0.06:1
4	Fixed Asset Turnover Rates	0.06:1	0.77:1			
5	Current Assets Turnover	0.94:1	12.27:1			

#### b. Ratio analysis

Profitability performance ratios of the Authority in 2022/23 was not satisfactory as indicated in table 2 below. The fall in profitability is a result of increase of cost of production in year 2022/23.

**Table 2: Financial Performance Ratio Analysis**

SN	Description	2022/23	2021/22	2020/21	2019/20	2018/19
1	Gross Profit margin (Gross Surplus/ Revenue)	50%	94%	47%	53%	63%
2	Gross surplus mark-up (Gross profit/ Cost sales)	101%	1598%	87%	115%	167%
3	Gross Profit margin excluding Revenue Grants	61%	36%	41%	53%	63%
4	Gross surplus mark-up excluding Revenue Grants	66%	56%	70%	115%	167%

#### 2.6.3 Statement of changes in Net Assets

The Net Asset of the Authority decreased from TZS 97,955,342,023 (2021/22) to TZS 96,675,316,165 (2022/23). The decrease in Net Asset was mainly due to increased annual depreciation charges on furniture's and fittings, motor vehicles, plant and machinery as a result of adoption of public assets management guideline revised edition 2019 on assets economic useful life.

#### 2.6.4 Cashflow

The cash flow movement of the Authority provided in the cash flows statement as at 30 June 2023 shows the cash and cash equivalent decreased from TZS 632,418,340 (2021/22) to TZS 248,887,346 (2022/23). The decreases in cash and cash equivalent were attributed by effective utilization of funds on implementation of the planned activities.

#### 2.6.5 Budget Performance

The Authority prepare its budget in accordance with the Medium-Term expenditure Framework (MTEF) contained in the Guideline for the preparation of budget and plans issued each year by the Ministry responsible for Finance and Planning.

During the financial year 2022/23, the final approved budget was TZS 13,407,230,421 and the Authority reallocated budget within departments/Units. The approved operational and development budget for the year was TZS 10,145,749,861 (76% of the total budget) as compared to TZS 7,752,078,011 (82% of the total budget) allocated in the year 2021/22 while the approved budget for Personnel Emolument was TZS 3,261,480,560 (24% of the total budget) as compared to TZS 1,651,888,787 (18% of the total budget) allocated in the year 2021/22.



Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. However, The Authority does not regard that there is significant concentration of credit risk as most of large business credit amounts lies with the government institutions. The Authority mitigates the credit risk by maintaining cash and cash equivalents with reputable financial institutions including the Bank of Tanzania; and recovering staff debts in terms of the applicable regulations directly from the employee's salary.

The age analysis of trade and other receivables is as shown below: (Amounts in TZS)

	Total TZS	Current TZS	Past due TZS
<b>Year ended 30 June 2023</b>			
Cash and Bank	248,887,346	248,887,346	-
Trade and other receivables	3,500,869,697	1,989,919,454	1,510,950,243
	<u>3,749,757,043</u>	<u>2,238,806,800</u>	<u>1,510,950,243</u>

	Total TZS	Current TZS	Past due TZS
<b>Year ended 30 June 2022</b>			
Cash and Bank	632,418,340	632,418,340	-
Trade and other receivables	2,503,981,767	1,510,950,243	993,031,524
	<u>3,136,400,107</u>	<u>2,143,368,583</u>	<u>993,031,524</u>

The maximum exposure to credit risk is as shown below:

	<u>2022/23</u> TZS	<u>2021/22</u> TZS
Cash and Cash Equivalents	248,887,346	632,418,340
Trade and Other Receivables	3,500,869,697	2,503,981,767
	<u>3,749,757,044</u>	<u>3,136,400,107</u>

#### b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet obligations associated with financial instruments. The manages its liquidity risk to ensure it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents.

The Authority's main sources of revenue is from water sales and sewerage charges, government grants as per the annual budget allocation from the Ministry of Finance and Planning through Ministry of Water and other sources of income. The income is used to fund The Authority's operational and capital requirements. The budget is prepared in accordance with the provisions governing the Medium-Term Expenditure Framework (MTEF) and other government directives. The Authority uses Activity Based Budgeting approach with an extensive planning and



governance process focused on the Strategic Plan to determine its operational and capital requirements. This is considered to be adequate mitigation for liquidity risk.

#### Liquidity risk analysis 30 June 2023

	Total TZS	0-1Years TZS	1-2Years TZS	More than 3 Years TZS
<b>Financial assets</b>				
Trade and other receivables	3,500,869,697	1,989,464,134	625,945,111	885,005,132
Cash and bank balances	248,887,346	248,887,346	-	-
<b>Total</b>	<b>3,749,757,043</b>	<b>2,238,351,481</b>	<b>625,945,111</b>	<b>885,005,132</b>
<b>Financial liabilities</b>				
Trade and other payables	8,038,504,915	5,443,786,121	1,944,659,849	650,058,945
<b>Total</b>	<b>8,038,504,915</b>	<b>5,443,786,121</b>	<b>1,944,659,849</b>	<b>650,058,945</b>
<b>Liquidity gap as at 30 June, 2023</b>	<b>(4,288,747,872)</b>	<b>(3,205,434,640)</b>	<b>(1,318,714,738)</b>	<b>234,946,187</b>

#### Liquidity risk analysis 30 June 2022

	Total TZS	0-1Years TZS	1-2Years TZS	More than 3 Years TZS
<b>Financial assets</b>				
Trade and other receivables	2,503,981,767	1,422,955,537	447,704,508	222,460,413
Cash and bank balances	632,418,340	632,418,340	-	-
<b>Total</b>	<b>3,136,400,107</b>	<b>2,055,373,877</b>	<b>447,704,508</b>	<b>222,460,413</b>
<b>Financial liabilities</b>				
Trade and other payables	5,974,427,840	4,045,964,728	1,445,322,242	403,641,919
<b>Total</b>	<b>5,974,427,840</b>	<b>4,045,964,728</b>	<b>1,445,322,242</b>	<b>403,641,919</b>
<b>Liquidity gap as at 30 June, 2022</b>	<b>(2,838,027,733)</b>	<b>(1,990,590,852)</b>	<b>(997,617,734)</b>	<b>(181,181,506)</b>

#### c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the Authority's operations utilize various foreign currencies and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant

Table 3: Stakeholders Analysis

S/N	Stakeholder	Expectations	Potential impacts of not meeting their expectations
1	Customers Domestic Commercial Institutional Kiosk Bottling Water/waste water by bowzers	<ul style="list-style-type: none"> <li>Adequate and reliable, clean and safe water -24 hours a day at affordable tariffs.</li> <li>Prompt service connections</li> <li>Prompt and accurate billing</li> <li>Prompt response to their complaints/ requests</li> <li>Payment of bills through convenient means at any time and any location including e-payment</li> <li>Hygienic and efficient waste water collection and disposal at affordable tariffs</li> <li>Our staff to be professional, and treat them with courtesy, helpfulness, friendliness and on a case-to-case basis.</li> <li>Prior information/notice regarding service interruption/tariff changes</li> <li>Corruption free zone</li> <li>Reliable and adequate water for fire fighting</li> </ul>	<ul style="list-style-type: none"> <li>Increased public complaints</li> <li>Resorting to other unsafe sources and other alternatives</li> <li>Low revenue collection</li> <li>Low willingness to pay</li> <li>Increase of bad debts.</li> <li>Bad public image</li> <li>Unhygienic environment and possible outbreak of water borne diseases</li> <li>Low customer connection rate</li> <li>Resorting to illegal means of getting services</li> </ul>
2	Staff	<ul style="list-style-type: none"> <li>Good remuneration packages.</li> <li>Recognition of good performance.</li> <li>Involvement in decision-making.</li> <li>Good working environment.</li> <li>Security of Employment.</li> <li>Gender Inclusion</li> <li>Timely and fairly promotion</li> <li>Career development.</li> <li>Voluntary agreement between employer and trade union.</li> <li>Corruption free zone</li> <li>Timely submission of remittances for social Security contributions.</li> </ul>	<ul style="list-style-type: none"> <li>Staff turnover leading to increased cost of recruitment in filling vacant posts.</li> <li>Low productivity.</li> <li>Tarnishing of Authority's Image</li> <li>Low morale.</li> <li>Staff will not be able to keep up with changing technology.</li> <li>Corruption, Sabotage.</li> <li>Dissatisfied staff and trade union.</li> </ul>
3	Suppliers/ Contractors	<ul style="list-style-type: none"> <li>Timely payment of their invoices.</li> <li>Transparency and fairness transactions.</li> <li>Professional staff with high degree of integrity.</li> <li>Clarity in Terms of Contracts.</li> <li>Timely communication</li> </ul>	<ul style="list-style-type: none"> <li>Loss of credit worthiness.</li> <li>Tarnishing the Authority's image.</li> <li>Withdraw or delays in delivering of goods and services or completion of works.</li> <li>Lack of value for money.</li> <li>Non-response to the Authority's tender invitations.</li> <li>Legal actions against the Authority.</li> </ul>



Authority. These are Planning and Finance Committee, the Audit Committee and Employment and Disciplinary Committee.

## 2.11.2 Membership of the Board of Directors

The Board of Directors of the Authority consists of ten (10) Directors. Secretary of the Board of Directors as at 30 June 2023 was Eng. Mayunga Anthony Kashilimu who was the Managing Director of the Tabora Urban Water Supply and Sanitation Authority (TUWASA). During the year 2022/23, the Board held three ordinary meetings and agenda discussed during the meetings included among others the following issues: -

- Making corporate and strategic decisions;
- Review of management performance and operations;
- Endorse Authority's budget for the year 2022/23;
- Approving Authority's Financial Statements for the year 2022/23.

Table 6: List of Board Members

S/n	Name	Position	Qualification	Age	Nationality	Date of Appointment	No of meetings	Representation
1	Mr. Dick Mlimuka	Chairman	MA in Economic Development, Education and Philosophy	65	Tanzanian	15 July 2021	3	Municipal Resident
2	Eng. Mayunga A. Kashilimu	Secretary	MSc. in Integrated Water Resources Management (Water Supply and Sanitation)	48	Tanzanian	02 September 2021	3	Managing Director
3	Eng. William Christian	Member	Masters in Water Resources Engineering	59	Tanzanian	06 July 2021	3	Ministry of water
4	Ms. Felister Akonaay	Member	Masters of Law	36	Tanzanian	1 June 2021	3	Big Consumers
5	Dr. Roghat J. Mboya	Member	PhD	50	Tanzanian	09 November 2022	3	Regional Administrative Secretary
6	Ms. Zinduna Kisamba	Member	Form IV	46	Tanzanian	1 June 2021	3	Women
7	Dr. Peter M. Nyanja	Member	Doctor of Veterinary Medicine	46	Tanzanian	27 September 2021	3	Municipal Director
8	Andrew Tarabya	Member	Advanced Diploma in Mechanical Eng.	64	Tanzanian	1 June 2021	3	Commercial and Industrial Customers
9	Rev. Anthony Samaga	Member	Masters in Islam and Christian Relationship	63	Tanzanian	1 June 2021	3	Domestic Consumer

10	Mh. Yahya B. Mhamali	Member	Advanced Diploma in Social Security Administration	69	Tanzanian	1 June 2021	3	Local Councilors
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### 2.11.3 Committees of the Board of Directors

The Board has three committees namely the Planning and Finance Committee, the Audit Committee and Employment and Disciplinary Committee. These committees oversee the issues before they are brought to the attention of the Board. Members of the Board's Committees are appointed from amongst the members of the Board of Directors. The Committee is required to hold 4 meetings per year. During the year 2022/23 the Committees held three (3) meetings each to discuss and advise the Board on various matters.

#### 2.11.3.1 Planning and Finance Committee

Finance, Planning and Budget committee deals with all finance issues. During the period of 1 July, 2021 to 30 June, 2022 the committee held 4 regular meetings. The key issues discussed include review of Water and Waste water Quality Monitoring Programme, Review of management financial performance, Review of Authority annual budget for 2022/23 and review of Financial Statements for the year 2022/23.

During 2022/23 the following members served in the Planning and Finance Committee

Table 7: Members of Planning and Finance Committee of the Board

S/n	Name	Qualification	Age	Nationality	Date of Appointment	No of meetings
1.	Dr. Peter M. Nyanja	Doctor of Veterinary Medicine	46	Tanzanian	27 September 2021	3
2.	Eng. William Christian	Masters in Water Resources Engineering	59	Tanzanian	06 July 2021	3
3.	Rev. Anthony Samaga	Masters in Islam and Christian Relationship	63	Tanzanian	1 June 2021	3

#### 2.11.3.2 Audit Committee

The Audit committee deals with the reviewing and deliberates on the internal audit quarterly reports, considering and deliberating on management responses to the recommendations made by the internal auditor, reviewing and considering the implementation of the Internal Audit Recommendations annual Plan and reviewing working tools (audit manual etc). The Audit Committee comprised of three members dealing with all Auditing issues. During the period 1 July 2022 to 30 June 2023 the committee held 3 regular meetings.

During 2022/23 the following members served in the Committee.



**Table 8: Members of Audit Committee of the Board**

S/n	Name	Qualification	Age	Nationality	Date of Appointment	No of meetings
1.	Mh. Yahya B. Mhamali	Advanced Diploma in Social Security Administration	69	Tanzanian	1 June 2021	3
2.	Andrew Tarabya	Advanced Diploma in Mechanical Eng.	64	Tanzanian	1 June 2021	3
3.	Pamba Matundu Kalogi	CPA PP	70	Tanzanian	1 June 2021	3

### 2.11.3.3 Employment and Disciplinary Committee

The main functions of this Committee are to assist the Board on issues related to employments, discipline and social welfare of the Authority staff. During the period of 1 July 2022 to 30 June 2023 the committee held 4 regular meetings.

During 2022/23 the Employment and Disciplinary Committee comprised of the following Members:

**Table 9: Members of Employment and Disciplinary Committee of the Board**

S/n	Name	Qualification	Age	Nationality	Date of Appointment	No of meetings
1.	Dr. Roghat J. Mboya	PhD	50	Tanzanian	09 November 2022	3
2.	Ms. Felister Akonaay	Masters of Law	36	Tanzanian	01 June 2021	3
3.	Ms. Zinduna Kisamba	Form IV	46	Tanzanian	01 June 2021	3

### 2.11.4 Management Structure

The Management of TUWASA is under the leadership of the Managing Director who is also the Authority's Accounting Officer reporting to the Board of Directors. Seven Independent Units and Three Directorates assist the Managing Director.

The Seven Independent Units are:

- Finance and Accounts Unit;
- Planning, Monitoring and Evaluation Unit;
- Legal Services Unit.
- Procurement Management Unit.
- ICT and Statistics Unit
- Internal Audit Unit
- Communication and Public Relation Unit

Authority donated a total of TZS 30,113,736 to the needy beneficiaries which include charitable donations to disabled persons as per details in table 10 below:

**Table 10: Charitable Donations/Contributions**

S/N	Name of Recipient	Contribution Amount (TZS)
1	Igambilo Hospital	14,000,000
2	Tabora Blinded Association	200,000
3	Maji Sport	5,020,000
4	Disabled Person	10,893,736
	<b>Total</b>	<b>30,113,736</b>

There was no political donation during the year.

## 2.17 Related Party Transactions

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. TUWASA is an autonomous water utility organization owned by the Government and operates under the Ministry of Water.

### Key Management Personnel and Board Remunerations

During the year under review the Authority did not conduct any business with key management personnel and Board members as well as their associates and companies.

Key management short term benefits which were paid during the year included salaries, allowances and social security contributions which amounted to TZS 405,878,210 (TZS 387,931,408: 2021/22). The personnel include both permanent employed and board members. During the year there were 10 permanent management employees, ten (10) Board Members and one (1) co-opted/invited Board Member.

**Table 11: key Management Personnel and Board Remunerations**

	2022/23 TZS	2021/22 TZS
<b>Key Management remuneration</b>		
Salaries	280,464,000	282,442,800
Allowances	32,820,690	-
<b>Sub total</b>	<b>313,284,690</b>	<b>282,442,800</b>
<b>Board of Directors remuneration</b>		
Board fees	52,100,000	51,000,000
Board allowances & meeting expenses	40,493,520	54,488,608
<b>Subtotal</b>	<b>92,593,520</b>	<b>105,488,608</b>
<b>Grand Total</b>	<b>405,878,210</b>	<b>387,931,408</b>



## **ii) Future Development Activities**

The Authority's future development activities for the next years are as follows:

- Extension of 670 km of water network to operational areas of Tabora Municipality, Sikonge, Urambo and Isikizya for pipes ranging (DN 50-DN150);
- Procurement and installation of 19,500 water meters;
- Procurement and installation of 1,661 pre-paid water meters
- Pumps-Renewal and replacement at Igombe low lift, Utyatya and Urambo;
- Procure and install three (03) Variable Speed Drives for energy efficiency systems
- Dosing pumps renewal and replacement at Igombe;
- Rehabilitation of Chlorination systems at Tabotex;
- Extension of lateral sewer line 3 km at Gongoni, Kiloleni and Boma areas;
- Procurement of two Cesspit Emptier Trucks with capacity's 6.0 m3 each;
- Procure and install valves ranging DN 50- DN 300 for operation; and
- Procurement and installation of 10 Bulk meters DN100-DN300 and construction of 30 chambers

## **iii) Factors that might affect future Development and Performance of the Business.**

### **a) Unforeseen events**

The occurrence/outbreak of events such as pandemic diseases (COVID 19, Ebola, Sars), long draught season causing shortage of water sources, electricity blackout, fire and floods which may destroy water infrastructures may hinder effective implementation of future plans.

### **b) Small number of new connections and long outstanding debtors**

Small number of new connections in places where there is distribution network and slow collection of from debtors (long outstanding debtors) may affect expected collection of revenues/Cash flow. Low cash-flow collection hinders implementation of planned activities.

### **c) Plants and Machinery malfunctioning problems**

Plants and machineries are key to water production and distributions, any disruption due to breakdown of the production and distribution line machineries and pumps may affect smooth implementation of the planned activities and targets.

d) **Software malfunctioning and hardware problems**

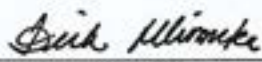
Software malfunctioning or corrupt and hardware problems which may be caused by virus, hackers or heavy rains may affect systems and ICT infrastructure which in turn affect implementation of the future plan.

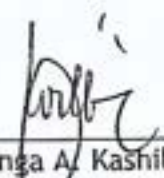
e) **Employees/Labour turnover**

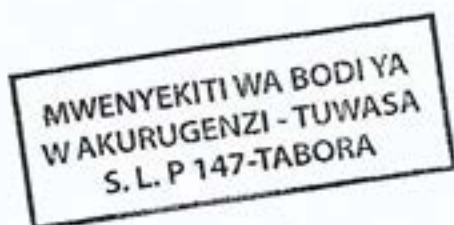
Implementation of organization plan depends on motivated and satisfied human resources. If some of employees become unsatisfied and opt to leave to may result into high employee turnover which might affect implementation of the plan.

**2.22 APPROVAL**

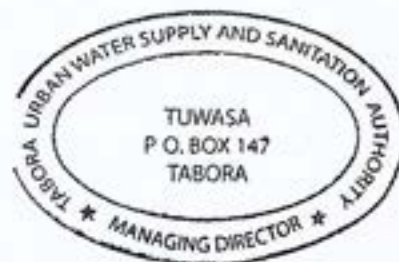
This Report was approved and authorized for issue by the Board of Directors and signed on its behalf by:

  
Mr. Dick L. Mlimuka  
Chairperson of the Board

  
Eng. Mayunga A. Kashilimu  
Managing Director



\_\_\_\_\_  
Date





### 3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE


These financial statements have been prepared by the Management of Tabora Water Supply and Sanitation Authority (TUWASA) in accordance with requirement of the International Public Sector Accounting Standards (IPSAS). The Board is responsible for establishing and maintaining a system of effective internal control designed to give reasonable assurance that the transactions recorded in the accounts are within the statutory requirement and that they contain the receipts and use of resources by the TUWASA.

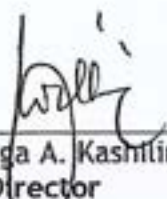
The Board of TUWASA is responsible for keeping proper accounting records which at any time disclose with reasonable accuracy the financial position of the Authority and enabled them to ensure that the financial statements comply with the IPSAS. The Board is also responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Board confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30 June 2023. The Board also confirms that International Public Sector Accounting Standards (IPSAS) Accrual basis have been complied with and that the financial statements have been prepared on the going concern basis hence gives a true and fair view presentation of the Authority.

To the best of Board's knowledge, the internal control system has operated adequately throughout the reporting period and the accounting and underlying records provide a reasonable basis for the preparation of the financial statements for the year ended 30 June 2022. We accept responsibility for the integrity of the Financial Statements, the information they contain and their compliance with IPSAS Accrual basis.

By order of the Board

  
Mr. Dick L. Mlimuka  
Chairperson of the Board

  
Eng. Mayunga A. Kashilimu  
Managing Director

MWENYEKITI WA BODI YA  
WAKURUGENZI - TUWASA  
S. L. P 147-TABORA

\_\_\_\_\_  
Date




#### 4.0 DECLARATION OF HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2023

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act, 1972 as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with International Public Sector Accounting Standards (IPSAS) and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Governors as under Statement of the Board of Governors' Responsibility on an earlier page.

I, CPA Olimpia Prosper, being The Accountant of the Tabora Water Supply and Sanitation Authority (TUWASA) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Tabora Water Supply and Sanitation Authority (TUWASA) as on that date and that they have been prepared based on properly maintained financial records.

Signed by:   
Position: Accountant  
NBAA Membership No.: GA 7654  
Date: \_\_\_\_\_



## 5.0 FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2022/23 TZS	2021/22 TZS
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	8	248,887,346	632,418,340
Receivables from exchange transactions	9-A	3,082,335,563	2,058,729,055
Receivables from non-exchange transactions	9-B	418,534,135	445,252,712
Inventories	10	2,687,918,416	2,953,975,758
<b>Total Current Assets</b>		<b>6,437,675,460</b>	<b>6,090,375,865</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11	96,797,232,637	97,363,904,590
Work in Progress	12	2,237,027,402	2,489,827,892
Intangible Assets	13	25,009,958	31,262,448
<b>Total Non-Current Assets</b>		<b>99,059,269,997</b>	<b>99,884,994,930</b>
<b>Total Assets</b>		<b>105,496,945,457</b>	<b>105,975,370,795</b>
<b>Net Assets and Liabilities</b>			
<b>Current Liabilities</b>			
Trade Payables	14-A	6,401,999,083	4,361,761,231
Other Payables	14-B	1,636,505,832	1,612,666,609
<b>Total Current Liabilities</b>		<b>8,038,504,915</b>	<b>5,974,427,840</b>
<b>Non-Current Liabilities</b>			
From Non-exchange transactions			
Deferred Capital Grant	15	783,124,377	2,045,600,932
<b>Total Non-Current Liabilities</b>		<b>783,124,377</b>	<b>2,045,600,932</b>
<b>Total Liabilities</b>		<b>8,821,629,292</b>	<b>8,020,028,772</b>
<b>Net Assets</b>		<b>96,675,316,165</b>	<b>97,955,342,023</b>
<b>Equity</b>			
Taxpayer's Fund		10,157,961,143	10,157,961,143
Accumulated Surplus		86,517,355,022	87,797,380,880
<b>Total Equity</b>		<b>96,675,316,165</b>	<b>97,955,342,023</b>

The Financial Statements were approved for issue by the Board on \_\_\_\_\_ and were signed on its behalf by:

*Dick Mlimuka*  
Mr. Dick L. Mlimuka  
Chairperson of the Board

*Eng. Mayunga A. Kashimu*  
Eng. Mayunga A. Kashimu  
Managing Director

MWENYEKITI WA BODI YA  
WAKURUGENZI, TUWASA  
Controller and Auditor General  
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TUWASA  
P.O. BOX 147  
TABORA  
AR/PA/TUWASA/2022/23  
MANAGING DIRECTOR

# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022/23 TZS	2021/22 TZS
<b>Revenue</b>			
Revenue from Exchange Transactions	16	9,768,098,192	6,894,036,986
Revenue from non-Exchange Non Exchange Transaction	17	<u>2,232,478,692</u>	<u>72,501,656,830</u>
		<u>12,000,576,884</u>	<u>79,395,693,816</u>
<b>Production cost</b>			
Water Production Expenses	18	<u>5,970,469,145</u>	<u>4,674,760,975</u>
<b>Gross Profit</b>		<u>6,030,107,739</u>	<u>74,720,932,841</u>
<b>Operating Expenses</b>			
Distribution Expenses	19	1,118,136,868	587,182,572
Personnel Expenses	20	1,696,015,255	1,464,728,720
Administrative Expenses	21	1,885,220,084	1,531,652,525
Finance Costs	22	10,158,138	5,801,724
Depreciation Expenses	23	2,594,350,763	2,188,295,861
Amortization Expenses	23	<u>6,252,489</u>	<u>7,815,612</u>
<b>Total operating expense</b>		<u>7,310,133,597</u>	<u>5,785,477,014</u>
<b>Surplus/(deficit) for the year</b>		<u>(1,280,025,858)</u>	<u>68,935,455,827</u>

The Financial Statements were approved for issue by the Board on \_\_\_\_\_ and were signed on its behalf by:

Dick Mlimuka  
Mr. Dick L. Mlimuka  
Chairperson of the Board

MWENYEKITI WA BODI YA  
WAKURUGENZI - TUWASA  
S. L. P 147-TABORA

Eng. Mayunga A. Kashimu  
Eng. Mayunga A. Kashimu  
Managing Director





# STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

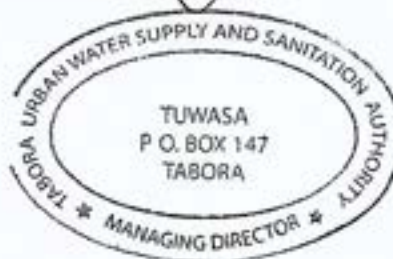
	Taxpayer's Fund	Capital Fund	Accumulated Surplus /(deficit)	Total
	TZS	TZS	TZS	TZS
At 01 July 2022	10,157,961,143	-	87,797,380,880	97,955,342,023
Surplus for the year	-	-	(1,280,025,858)	(1,280,025,858)
As at 30 June 2023	<u>10,157,961,143</u>	<u>-</u>	<u>86,517,355,022</u>	<u>96,675,316,165</u>
At 01 July 2021	10,157,961,143	-	18,861,925,053	29,019,886,196
Surplus for the year	-	-	68,935,455,827	68,935,455,827
As at 30 June 2022	<u>10,157,961,143</u>	<u>-</u>	<u>87,797,380,880</u>	<u>97,955,342,023</u>

The Financial Statements were approved for issue by the Board on \_\_\_\_\_ and were signed on its behalf by:-

*Dick Mlimuka*  
Mr. Dick L. Mlimuka  
Chairperson of the Board

*Eng. Mayunga A. Kashilimu*  
Eng. Mayunga A. Kashilimu  
Managing Director

MWENYEKITI WA BODI YA  
WAKURUGENZI - TUWASA  
S. L. P 147-TABORA



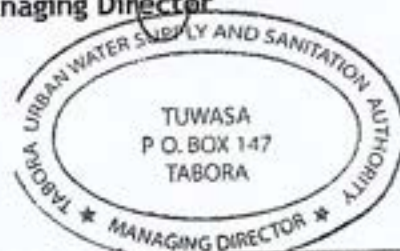
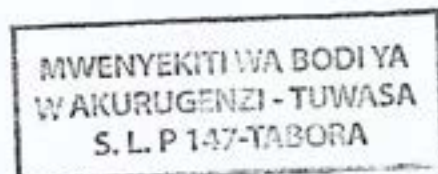
# CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	2021/23 TZS	2021/22 TZS
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Cash receipts from customers and others	30-A	8,744,491,684	6,765,390,431
Cash receipts from other Income	30-B	608,762,288	2,910,097,425
		<u>9,353,253,972</u>	<u>9,675,487,856</u>
<b>Payments</b>			
Personnel, administrative & finance cost	30-C	3,567,554,254	2,895,438,184
Cash paid to suppliers	30-D	4,394,352,391	4,630,202,412
Total payments		<u>7,961,906,645</u>	<u>7,525,640,596</u>
<b>Net cash outflow to Operating activities</b>		<u>1,391,347,326</u>	<u>2,149,847,260</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	30-E	(2,027,678,810)	(1,278,884,625)
Additional to work in progress	30-F	(1,792,800,442)	(1,313,658,198)
Work in progress - Transfer		2,045,600,932	681,970,700
<b>Net cash outflow to Investing Activities</b>		<u>(1,774,878,320)</u>	<u>(1,910,572,123)</u>
<b>Net Cash outflow from financing activities</b>		<u>-</u>	<u>-</u>
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>		<u>(383,530,994)</u>	<u>239,275,137</u>
<b>Cash and Cash Equivalent at 01 July</b>		<u>632,418,340</u>	<u>393,143,203</u>
<b>Cash and Cash Equivalent at 30 June</b>	11	<u>248,887,346</u>	<u>632,418,340</u>

The Financial Statements were approved for issue by the Board on \_\_\_\_\_ and were signed on its behalf by:

*Dick L. Mlimuka*  
Mr. Dick L. Mlimuka  
Chairperson of the Board

*Eng. Mayunga A. Kashilimu*  
Eng. Mayunga A. Kashilimu  
Managing Director





**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023**  
(Budget Vs Actual Prepared on Accrual Basis)

Particulars	Original Budget	Adjustments	Final Budget	Actual Performance	Performance difference	Explanations/comments/Reasons for material differences
<b>REVENUE</b>	TZS	TZS	TZS	TZS	TZS	
Revenue from exchange transactions (Refer Note 16)	12,056,947,421	-	12,056,947,421	8,748,685,401	(3,308,262,020)	i. Low production due to Electricity Blackout for total of 522:29 hours as a result a total volume of 413,250 Cubic Metre was not produced. ii. High Non-Revenue water of 31.84% compared to the budgeted 26% iii. Low water tariff used for 9 months (July 2021 to March, 2022). Revised water Tariff were approved in March 2022 and used from April 2022.
Revenue from non-exchange transactions (Refer Note 17)	1,350,283,000	-	1,350,283,000	2,232,478,692	882,195,692	Few sewer customers (10) were connected as compared to budgeted 25. This was caused by high connection fees resulting from low coverage of sewer network thus customer pays more for longer distance connection. But also the increase was due to non-cash revenue on amortized grant of TZS 1.65billion.
<b>Total Revenue</b>	<b>13,407,230,421</b>	<b>-</b>	<b>13,407,230,421</b>	<b>10,981,164,093</b>	<b>(2,426,066,328)</b>	
<b>EXPENSES</b>						
Water Production expenses	4,694,721,636	-	4,694,721,636	5,970,469,145	1,275,747,509	More bulk water, 55% of water was drawn from KASHWASA as compared to budgeted 40% due to frequent power outage at Igombe water source. Water Unit cost from KASHWASA is TZS 900.00 compared

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Controller and Auditor General

AR/PA/TUWASA/2022/23

Particulars	Original Budget	Adjustments	Final Budget	Actual Performance	Performance difference	Explanations/comments/Reasons for material differences
						to Igombe and Kazima Unit costs of about TZS 450.00
Distribution expenses	242,489,564	-	242,489,564	1,118,136,868	875,647,304	Completion of Lake Victoria project increased water pressure to supply pipelines that caused frequent bursting hence increased demand for more repair works. However, most of fittings used were funded under the Lake Victoria project.
Salaries and Wages	3,261,480,560	-	3,261,480,560	1,696,015,255	(1,565,465,305)	The budgeted direct salaries of technical staff are excluded and charged under Water Production expenses.
Administrative expenses	2,714,391,046	-	2,714,391,046	1,885,220,084	(829,170,962)	Some training funds for ERMS, and Unified Billing system were paid for by Ministry of Water.
Finance costs	10,924,006	-	10,924,006	10,158,138	(765,868)	The use of internet banking saved more on bank charges.
Other Expenses (Depreciation and Amortization)	2,483,223,609	-	2,483,223,609	2,600,603,252	117,379,643	Depreciation charges on assets taken over from Lake Victoria project was not foreseen. But also change of assets useful life in line with the public assets management guideline revised edition 2019 on economic useful life of assets.
<b>Total</b>	<b>13,407,230,421</b>	<b>-</b>	<b>13,407,230,421</b>	<b>13,280,602,742</b>	<b>(126,627,679)</b>	
				<b>(2,299,438,649)</b>	<b>(2,299,438,649)</b>	



#### 4. CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies during the year. The accounting policies which were used during the year were consistent with previous years.

#### 5. NEW ACCOUNTING STANDARDS ADOPTED AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

a) New and changes to standards and interpretation that are effective.

The new and changes to standard interpretation that are effective and adopted during preparation of current Financial Statements are tabulated below:-

Sn	Standard	Impact	Effective Date
1	IPSAS 41: Financial Instruments	This standard establishes new requirements for classifying, recognizing, and measuring financial instruments. It replaces IPSAS 29, Financial Instruments recognition and measurement. The objective of this standards is to establishes principles for the financial reporting of financial assets and liabilities that will present useful information to users of financial statements for their assessment of the amount, timing and uncertainty of the entity's future cash flows.	1 January 2023
2	IPSAS 42: Social Benefits	<p>The objective of this standard is to assist users of financial statements and general-purpose financial reports assess the nature of social benefits provided by the entity, the features of the operations of the social benefits schemes, and impact of social benefits on the entity financial performance, position and cash flows. The standards require an entity to recognize a liability for social benefits scheme when the entity has a present obligation for an outflow of resource that results from past event, and the present obligation can be measured in a way that achieves the qualitative characteristics and take into account of constraints in the conceptual framework. The information provided should help users of the financial statement and general-purpose financial reports to assess: -</p> <p>a) The nature of such social benefits provided by the entity.</p> <p>b) The key features of the operations of those social benefits scheme; and</p>	1 January 2023

Sn	Standard	Impact	Effective Date
		c) The impact of such social benefits provided on entity 's financial performance, position and cash flows.	

**d) International Public Sector Accounting Standards (IPSAS) not used by the Authority.**

Due to the nature of the Authority's operations, some of the International Public Sector Accounting Standards are not applicable, among them are:

SN	Standards	Descriptions	Effective date
1	IPSAS 10	Financial reporting in hyperinflationary economies	July 1, 2002
2	IPSAS 11	Construction Contracts	July 1, 2002
3	IPSAS 18	Segment Reporting	July 1, 2003
4	IPSAS 27	Agriculture	April 1, 2011
5	IPSAS 32	Service Concession Agreement	1 January 2014
6	IPSAS 34	Separate Financial Reporting	1 January 2017
7	IPSAS 35	Consolidated Financial Statement	1 January 2017
8	IPSAS 36	Investment in Associates and Joint Entities	1 January 2017
9	IPSAS 37	Joint Arrangements	1 January 2017
10	IPSAS 38	Disclosure of Interest in other entities	1 January 2017
11	IPSAS 40	Public Sector Combinations	1 January 2019

**e) New and Amended standards and interpretation issued but not yet effective.**

There are new standards which are not yet effective, and the Authority shall adopt when the effective date is applicable are: -

SN	Standards	Descriptions	Effective date
1	IPSAS 43	Leases	1 January 2025
2	IPSAS 44	Non-current Assets Held for Sale and Discontinued Operations	1 January 2025
3	IPSAS 45	Property, Plant and Equipment	1 January 2025
4	IPSAS 46	Measurement	1 January 2025
5	IPSAS 47	Revenue	1 January 2026
6	IPSAS 48	Transfer Expenses	1 January 2026
7	IPSAS 49	Retirement Benefit Plans	1 January 2026

## **6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Functional and presentation currency**

Items included in the Financial Statements of the Authority are measured using the currency of the primary economic environment in which the Authority operates ("the functional currency").



**e) Property, Plant and Equipment**

Plant and equipment are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate only when it is probable that future economic benefit associated with the item will flow to the Authority and cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial year in which they are incurred. Depreciation on Property, Plant and Equipment is calculated on the reducing balance method at annual rates estimated to write off carrying values over their estimated useful lives. The depreciation rates used during the year under review are the same as previous year as shown in Table 12 below except for Office furniture's & fittings, motor vehicles and plants and machinery which previously were not in line with the public assets management guideline revised edition 2019 on economic useful life of assets thus leading to a significant increase in charge for the year for those assets.

**Table 12: Property, Plant and Equipment**

Asset Description	Dep. Rate	Dep. Rate
	2020/23	2021/22
Buildings	2.00%	2.00%
Plant and Machinery	6.67%	12.50%
Office Furniture and Fittings	20.00%	20.00%
Office Equipment & Computer	25.00%	25.00%
Motor Vehicle and Cycles	14.29%	12.50%
Bicycles	20.00%	20.00%
Dams and Spillways	1.00%	1.00%
Water Reservoirs	2.00%	2.00%
Shallow wells and Kiosks	2.00%	2.00%
Pipes, Rising Main and distribution system	2.00%	2.00%
Sewerage Systems	2.00%	2.00%

An item of property, plant and equipment and any significant part initially recognized and derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance when the asset is derecognized.

The assets' residual values and useful lives and methods of depreciation of property, plant and equipment are reviewed and adjusted if appropriate, at each balance sheet date.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. Table 13 indicates the total provision during the year.

**Table 13: Summary of Provision**

Description	2022/23 TZS	2021/22 TZS
Auditing Reimbursable	10,000,000	7,200,000
Controller and Auditor General	4,450,000	4,000,000
Provision for audit fee	40,000,000	40,000,000
Provision for gratuity and other employees' benefit	132,464,279	164,990,099
<b>Total</b>	<b>186,914,279</b>	<b>216,190,099</b>

## 7. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Authority's Financial Statement requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could require a material adjustment to carrying amount of the asset or liability affected in the future periods.

### Judgments

In the process of applying the Authority's accounting policies, no significant judgments were made by management.

### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### Asset Useful Lives

The useful lives of items of Property Plant and equipment are estimated annually and are in line with the rate at which they are depreciated. The carrying values of the Plant, property and Equipment shown on note No 8. During the period, the Authority reviewed (decreased) useful life of Office furniture's & fittings, motor vehicles and plants and machinery to comply with the public assets management guideline revised edition 2019 on economic useful life of assets.

#### Impairment of Financial Assets

The Authority assesses annually whether there are any indicators of impairment for all financial assets at each reporting date. If indicators exist, an impairment test is done, and any identified



impairment loss is recognized in the Financial Statements. During the year under review management has not recognized any impairment loss.

#### 8. CASH AND CASH EQUIVALENT

Description	2022/23 TZS	2021/22 TZS
Bank Of Tanzania (BOT)	150,485,435	117,926,344
CRDB Bank Plc - Development A/C	12,738,916	19,318,826
CRDB Bank - USD A/C	6,227,902	164,930,413
CRDB Bank PLC Recurrent A/C	73,226,299	3,047,940
NBC Bank Ltd A/C	4,247,565	303,904,286
NMB Bank Ltd A/C	1,771,929	23,290,531
Petty cash	189,300	-
	<u>248,887,346</u>	<u>632,418,340</u>

#### 9. TRADE AND OTHER RECEIVABLES

	2022/23 TZS	2021/22 TZS
<b>9-A Receivable from exchange transactions</b>		
Debtors Commercial	297,338,008	250,351,960
Debtors Domestic	901,923,580	781,654,889
Debtors Industrial	177,227,819	155,552,807
Debtors Institution	1,705,846,156	871,169,399
	<u>3,082,335,563</u>	<u>2,058,729,055</u>
Less: Provision for impairment of receivables	-	-
<b>Net receivable from exchange transactions</b>	<u>3,082,335,563</u>	<u>2,058,729,055</u>
<b>9-B Receivable from non-exchange transactions</b>		
Prepayments	343,499,743	343,439,068
Empty Bowser Debtors	24,005,280	20,279,999
DUWASA	-	40,400,000
Staff Loan	15,243,466	5,348,000
Staff Receivables	10,260,301	10,260,301
Sundry Debtors	25,525,345	25,525,344
	<u>418,534,135</u>	<u>445,252,712</u>
Less: Provision for impairment of receivables	-	-
<b>Net receivable from non-exchange transactions</b>	<u>418,534,135</u>	<u>445,252,712</u>

#### 10. INVENTORIES

<i>Description</i>	<i>2022/23 TZS</i>	<i>2021/22 TZS</i>
Aluminium Sulphate	85,101,600	12,304,568
Calcium Hydrochlorite	342,000	5,246,280
Calcium Pricarbonate	8,502,500	8,502,500
Water Meters, Plumbing Materials and Other Stores	2,593,972,316	2,927,922,410
	<u>2,687,918,416</u>	<u>2,953,975,758</u>



# 11. PROPERTY, PLANT AND EQUIPMENT

Details	Land	Building	Office Furniture	Office Equipment	Motor Vehicle	Water Supply Infrastructure	Shallow Well And Water Kiosk	Plant & Machinery	SEWERAGE SYSTEM	WATER RESERVOIRS	CROSSINGS	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
<b>YEAR ENDED 30 JUNE 2023</b>												
Cost as at 1 July 2022	134,984,400	16,209,929,286	64,269,970	385,639,574	384,565,026	33,878,629,593	240,678,646	19,481,624,002	871,324,090	26,495,203,473	5,591,409,149	103,738,257,209
Additions for the Year	-	1,209,000	14,927,220	17,803,000	5,240,000	1,650,434,982	-	185,969,352	152,075,256	-	-	2,007,678,810
As at 30 JUNE 2023	134,984,400	16,211,138,286	79,197,190	403,442,574	389,805,026	35,529,064,575	240,678,646	19,667,613,354	1,023,399,346	26,495,203,473	5,591,409,149	105,765,936,019
<b>Depreciation</b>												
At 1 July 2022	-	444,952,477	42,402,114	347,538,678	235,391,298	2,203,551,517	17,036,600	1,872,002,168	153,767,100	776,840,210	279,570,457	6,374,352,619
Charge for the year	-	315,598,081	4,615,371	13,975,974	22,059,104	646,502,261	4,472,841	1,185,314,079	17,392,645	257,183,633	105,236,774	2,594,350,743
As at 30 JUNE 2023	-	760,550,558	47,017,485	361,514,652	257,450,402	2,870,453,778	21,509,441	3,059,216,247	171,159,745	1,034,023,843	385,807,231	8,968,703,362
<b>Net book value at 30 JUNE 2023</b>	134,984,400	15,450,587,728	32,179,705	41,927,922	132,354,624	32,658,610,796	219,169,205	16,608,397,107	852,239,601	25,461,179,630	5,205,601,918	96,797,232,637
<b>YEAR ENDED 30 JUNE 2022</b>												
Cost as at 1 July 2021	134,984,400	830,329,358	62,369,970	385,639,574	384,565,026	14,398,512,242	222,741,043	13,570,214,893	871,324,090	1,831,283,250	-	32,691,963,846
Additions for the Year	-	15,379,559,928	1,900,000	-	-	19,480,117,351	17,937,603	5,911,409,109	-	26,663,920,223	5,591,409,149	71,046,293,363
As at 30 JUNE 2022	134,984,400	16,209,929,286	64,269,970	385,639,574	384,565,026	33,878,629,593	240,678,646	19,481,624,002	871,324,090	26,495,203,473	5,591,409,149	103,738,257,209
<b>Depreciation</b>												
At 1 July 2021	-	123,218,256	39,278,134	334,838,379	214,080,745	1,557,529,515	12,472,477	1,513,540,498	139,123,080	251,575,654	-	4,186,056,728
Charge for the year	-	321,734,221	3,123,980	12,700,299	21,310,533	646,422,002	4,564,123	359,361,670	14,644,020	524,864,556	279,570,457	2,188,295,861
As at 30 JUNE 2022	-	444,952,477	42,402,114	347,538,678	235,391,298	2,203,951,517	17,036,600	1,872,902,168	153,767,100	776,840,210	279,570,457	6,374,352,619
<b>Net book value at 30 JUNE 2022</b>	134,984,400	15,764,976,809	21,867,856	38,100,896	149,173,728	31,674,678,076	223,642,046	17,608,721,834	717,556,990	25,718,363,263	5,311,838,692	97,363,904,590

## 12. WORK IN PROGRESS (WIP)

Year Ended 30 June 2023						
Description	Kigwa Work In Progress	Contribution to Lake Victoria	Kaliua Project	Lake Victoria Project	Sikonge Project	Total
	TZS	TZS	TZS	TZS	TZS	
Opening Balance	2,489,827,892	-	-	-		2,489,827,892
Additions During the Year	878,858,040	19,179,178	454,799,453	139,341,520	300,622,252	1,792,800,442
Total	3,368,685,932	19,179,178	454,799,453	139,341,520	300,622,252	4,282,628,334
Transfer During the Year	(2,045,600,932)					(2,045,600,932)
Closing Balance	1,323,085,000	19,179,178	454,799,453	139,341,520	300,622,252	2,237,027,402
Year Ended 30 June 2022						
Description	Kigwa Work In Progress	Contribution to Lake Victoria	Kaliua Project	Lake Victoria Project	Sikonge Project	Total
	TZS	TZS	TZS	TZS	TZS	
Opening Balance	1,445,383,970	311,191,921	101,564,503	-	-	1,858,140,394
Additions During the Year	1,044,443,922	217,014,276	52,200,000	-	-	1,313,658,198
Total	2,489,827,892	528,206,197	153,764,503	-	-	3,171,798,592
Transfer During the Year	-	(528,206,197)	(153,764,503)	-	-	(681,970,700)
Closing Balance	2,489,827,892	-	-	-	-	2,489,827,892

## 13. INTANGIBLE ASSETS

Details	Accounting Soft Ware (Tally)	Samrt Billing Manager (SBM)	Total
	TZS	TZS	TZS
Year Ended 30 June 2023			
Cost as at 1 July 2022	4,420,971	205,833,606	210,254,577
Additions for the Year	-	-	-
As At 30 June 2023	4,420,971	205,833,606	210,254,577
Amortization			
At 1 July 2022	3,539,834	175,452,296	178,992,130
Charge for the year	176,227	6,076,262	6,252,489
As At 30 June 2023	3,716,061	181,528,558	185,244,619



Net book value At 30 June 2023	704,910	24,305,048	25,009,958
Year Ended 30 June 2022			
Cost as at 1 July 2021	4,420,971	205,833,606	210,254,577
Additions for the Year	-	-	-
As At 30 June 2022	4,420,971	205,833,606	210,254,577
Amortization			
At 1 July 2021	3,319,550	167,856,968	171,176,517
Charge for the year	220,284	7,595,328	7,815,612
As At 30 June 2022	3,539,834	175,452,296	178,992,129
Net book value At 30 June 2022	881,137	30,381,310	31,262,448

#### 14. PAYABLES

<b>14-A Trade Payables</b>		
Supplies of goods and services (trade creditors)	6,401,999,083	4,361,761,231
	<u>6,401,999,083</u>	<u>4,361,761,231</u>
<b>14-B Other Payables</b>		
Statutory payables	1,449,591,553	1,396,476,510
Accrued expenses	54,450,000	51,200,000
Gratuity payable	132,464,279	164,990,099
<b>Total Payables</b>	<u>1,636,505,832</u>	<u>1,612,666,609</u>

#### 15. CAPITAL GRANTS

<b>15-A Deferred Capital Grant - TUWASA</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>TZS</b>	<b>TZS</b>
At 01 July	-	-
Grants received from Ministry of Water	446,756,800	570,411,809
Grants received under Lake Victoria project	2,433,559,359	70,768,355,460
Grants received under COVID - 19 Project		547,298,366
Amortization of Capital Grant	(2,097,191,782)	(71,886,065,635)
	<u>783,124,377</u>	<u>-</u>

The capital grant received during the year from government under Lake Victoria project for TUWASA in the form of Assets included water distribution system, water reservoirs, roadworks, pipes and fittings, building and concrete structures.

**15-B Deferred Capital Grant - RUWASA**

At 01 July	2,045,600,932	2,727,571,632
Grants received during the year	-	-
Transferred to RUWASA - Completed project/assets	(2,045,600,932)	(681,970,700)
	<u>-</u>	<u>2,045,600,932</u>

**16. REVENUE FROM EXCHANGE TRANSACTIONS**

Description	2022/23 TZS	2021/22 TZS
Water Sales	8,748,685,401	6,176,603,205
Sewer Services Charge	111,992,107	95,659,539
New water Connection	801,388,782	599,422,581
Cesspit Emptier Truck	3,725,281	2,968,614
Other Sewer Receipts	93,286,121	3,985,447
Stolen Meter Receipts	9,020,500	3,051,700
Direct Water Sales	-	1,156,900
Rent	-	11,189,000
	<u>9,768,098,192</u>	<u>6,894,036,986</u>

**17. REVENUE FROM NON-EXCHANGE TRANSACTIONS**

Description	2022/23 TZS	2021/22 TZS
Revenue Grants	446,756,800	570,411,809
Illegal Water Charge	9,680,900	11,108,798
Grants Amortization	1,650,434,982	71,886,065,635
Other Income	101,681,410	10,869,734
Reconnection Fees	23,924,600	23,200,854
	<u>2,232,478,692</u>	<u>72,501,656,830</u>

**18. WATER PRODUCTION EXPENSES**

Description	2022/23 TZS	2021/22 TZS
Plant Electricity	842,481,796	849,693,427
Water Treatment Chemicals and Transportation	1,825,687,593	827,715,754
Water User Fees	10,681,371	19,257,690
KASHWASA Fees	2,724,262,555	2,509,125,760
Laboratory Expenses	5,889,000	2,160,500
Maintenance Water Production Infrastructure	2,360,000	1,536,400



Ewura Fees	97,729,480	61,968,168
Direct Salaries	299,496,000	332,772,840
Dams and Spillways Maintenance	43,808,200	30,889,000
Plant Craft and Heavy Equipment maintenance	88,873,150	16,541,436
Hardship allowance	29,200,000	23,100,000
	<u>5,970,469,145</u>	<u>4,674,760,975</u>

#### 19. WATER DISTRIBUTION EXPENSES

Description	2022/23 TZS	2021/22 TZS
Sewerage Networks Services	14,487,475	28,166,770
Water Network Services	123,874,170	134,805,480
Electricity for water distribution	5,000,000	4,720,000
New Water Connection Expenses	974,775,223	419,490,322
	<u>1,118,136,868</u>	<u>587,182,572</u>

#### 20. PERSONNEL EXPENSES

Description	2022/23 TZS	2021/22 TZS
Acting and Disturbance Allowances Expenses	7,534,000	-
Basic Salary Expenses	910,207,000	823,858,310
Airtime allowance	6,766,690	-
Electricity allowance	9,520,000	-
Furniture allowance	9,000,000	-
Extra Duty Allowances Expenses	-	27,720,000
House Allowances Expenses	24,000,000	19,700,000
Incentives and Bonus Expenses	50,800,000	-
Medical Treatment and Burial Expenses	11,294,033	17,095,100
NHIF Employer Contribution	34,237,151	31,638,764
Overtime Allowances Expenses	71,980,000	55,043,000
Performance Allowances Expenses	104,829,468	91,717,619
PSSSF Employer Contribution	190,444,950	161,329,725
Retirement Benefit Expenses	24,676,732	749,000
Salary Arrears Expenses	5,247,420	7,465,797
Subsistence Allowance	4,000,000	9,241,550
Travelling on Leave Expenses	5,898,000	9,840,717
Wages Expenses	219,247,000	203,714,300
Workers Compensation Fund Contribution (WCF)	6,332,811	5,614,838
	<u>1,696,015,255</u>	<u>1,464,728,720</u>

## 21. ADMINISTRATION EXPENSES

Description	2022/23 TZS	2021/22 TZS
Airtime and Handset	48,061,820	47,064,364
Annual general meeting	2,000,000	-
Asset disposal	6,700,000	-
Audit Expense	17,692,700	9,303,100
Board of Directors Fee	52,100,000	51,000,000
Board of Directors Meeting Expenses	40,493,520	54,488,608
Budget and Final Account Expenses	31,075,482	17,194,400
Computer and Software Maintenance	1,331,700	1,979,500
Computer Stationary & Consumables	53,190,554	12,482,304
Debt Collection Expenses	97,927,295	68,671,217
Donation and Contribution Expenses	30,113,736	8,564,000
Electricity for Office	17,565,192	17,433,308
Email and Internet Expenses	47,728,118	16,793,320
Entertainment Expenses	7,054,649	11,587,238
Fire Fighting Expenses	500,000	500,000
Fuel, Oil and Lubricants Expenses	217,001,259	164,868,700
functional for all worker	22,665,000	3,160,000
Insuarance and Licence Expenses	5,120,728	5,105,978
Land Rent & Rates Expenses	4,157,650	4,235,198
Legal Services	12,250,000	7,200,000
May Day Expenses	-	9,816,000
michezo kombe la mamlaka	49,336,894	35,834,910
Mwenge	7,310,000	4,239,816
Maji Week Expenses	17,813,200	-
Management Meeting	1,409,800	377,700
Nane Nane Expenses	4,624,500	-
Office curtain	30,549,234	-
Office Expenses	99,187,516	208,810,098
Office Stationeries Expenses	43,889,850	28,281,118
Office Water Bills Expenses	9,879,206	11,453,451
Postage Expenses	807,750	985,500
Printing, Information, Public Education and Communi	16,897,225	25,798,218
Proffessional Fee Expenses	3,893,750	2,603,750
Provisional for Audit Fess	40,000,000	40,000,000
Provisional for Audit Rembursable	10,000,000	7,200,000
Provisional for CAG Fees	4,000,000	4,000,000
Revaluation & Survey Expenses	12,137,300	-
R/M of Motorvehicles & Cycles Expenses	120,133,252	72,107,337
R/M of office equipment	-	813,167
Security Guard Expenses	79,069,800	66,268,800



Seminar, Workshop and Conferences Expenses	167,576,641	271,840,000
Service levy	10,987,563	2,000,000
Siku ya wanawake	2,487,000	
Staff Uniform	42,060,000	4,000,000
Staff Recruitment Expenses	5,145,600	1,100,000
Subscription Fees to ATAWAS	3,600,000	6,810,000
Telephone and Fax Expenses	-	3,600,000
Tender Board Expenses	18,905,000	18,094,000
Training of Staff ( Inc. All Related Costs)	18,357,500	13,347,000
Transport Expenses	28,785,100	15,312,750
Travelling on Duty Expenses	216,555,260	102,487,760
Upkeep of Administration Building	58,792,770	29,098,194
Workers Council Expenses	10,386,500	22,032,500
Work Tools	35,912,470	21,709,221
	<u>1,885,220,084</u>	<u>1,531,652,525</u>

## 22. FINANCE COST

Description	2022/23 TZS	2021/22 TZS
Bank Charges and Commissions	10,158,138	5,801,724
	<u>10,158,138</u>	<u>5,801,724</u>

## 23. DEPRECIATION AND AMORTIZATION EXPENSES

Description	2022/23 TZS	2021/22 TZS
Depreciation of Property, Plant and Equipment	2,594,350,762	2,188,295,861
Amortization of Intangible Assets	6,252,489	7,815,612
	<u>2,600,603,252</u>	<u>2,196,111,473</u>

## 24. SOCIAL BENEFITS

Description	2022/23 TZS	2021/22 TZS
Staff training cost (Ref. Note 21, training of staff)	18,357,500	18,357,500
	<u>18,357,500</u>	<u>18,357,500</u>

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## 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Authority's operations are exposed to financial risks as explained hereunder. Financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on The Authority's financial performance. The main risks arising from the Authority's operations are credit risk, liquidity risk and currency risk. The Authority reviewed risk register to enable management of risks. Some of the risks are summarized below:

### i. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. However, The Authority does not regard that there is significant concentration of credit risk as most of large business credit amounts lies with the government institutions. The Authority mitigates the credit risk by maintaining cash and cash equivalents with reputable financial institutions including the Bank of Tanzania; and recovering staff debts in terms of the applicable regulations directly from the employee's salary.

The age analysis of trade and other receivables is as shown below: (Amounts in TZS)

Year ended 30 June 2023	Total TZS	Current TZS	Past due TZS
Cash and Bank	248,887,346	248,887,346	-
Trade and other receivables	3,500,869,697	1,989,919,454	1,510,950,243
	<u>3,749,757,043</u>	<u>2,238,806,800</u>	<u>1,510,950,243</u>
Year ended 30 June 2022	Total TZS	Current TZS	Past due TZS
Cash and Bank	632,418,340	632,418,340	-
Trade and other receivables	2,503,981,767	1,510,950,243	993,031,524
	<u>3,136,400,107</u>	<u>2,143,368,583</u>	<u>993,031,524</u>

The maximum exposure to credit risk is as shown below:

	2022/23 TZS	2021/22 TZS
Cash and Cash Equivalents	248,887,346	632,418,340
Trade and Other Receivables	3,500,869,697	2,503,981,767
	<u>3,749,567,743</u>	<u>3,136,400,107</u>



## ii. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet obligations associated with financial instruments. The manages its liquidity risk to ensure it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents.

The Authority's main sources of revenue is from water sales and sewerage charges, government grants as per the annual budget allocation from the Ministry of Finance and Planning through Ministry of Water and other sources of income. The income is used to fund The Authority's operational and capital requirements. The budget is prepared in accordance with the provisions governing the Medium-Term Expenditure Framework (MTEF) and other government directives. The Authority uses Activity Based Budgeting approach with an extensive planning and governance process focused on the Strategic Plan to determine its operational and capital requirements. This is considered to be adequate mitigation for liquidity risk.

### Liquidity risk analysis 30 June 2023

	Total TZS	0-1Years TZS	1-2Years TZS	More than 3 Years TZS
<b>Financial assets</b>				
Trade and other receivables	3,500,869,697	1,989,464,135	625,945,111	885,005,132
Cash and bank balances	248,887,346	248,887,346	-	-
<b>Total</b>	<b>3,749,757,043</b>	<b>2,238,351,481</b>	<b>625,945,111</b>	<b>885,005,132</b>
<b>Financial liabilities</b>				
Trade and other payables	8,038,504,915	5,443,786,121	1,944,659,849	650,058,945
<b>Total</b>	<b>8,038,504,915</b>	<b>5,443,786,121</b>	<b>1,944,659,849</b>	<b>650,058,945</b>
<b>Liquidity gap as at 30 June, 2023</b>	<b>(4,288,747,872)</b>	<b>(3,205,434,640)</b>	<b>(1,318,714,738)</b>	<b>234,946,187</b>

### Liquidity risk analysis 30 June 2022

	Total TZS	0-1Years TZS	1-2Years TZS	More than 3 Years TZS
<b>Financial assets</b>				
Trade and other receivables	2,503,981,767	1,422,955,537	447,704,508	222,460,413
Cash and bank balances	632,418,340	632,418,340	-	-
<b>Total</b>	<b>3,136,400,107</b>	<b>2,055,373,877</b>	<b>447,704,508</b>	<b>222,460,413</b>
<b>Financial liabilities</b>				
Trade and other payables	5,974,427,840	4,045,964,728	1,445,322,242	403,641,919

Total	5,974,427,840	4,045,964,728	1,445,322,242	403,641,919
Liquidity gap as at 30 June, 2022	(2,838,027,733)	(1,990,590,851)	(997,617,734)	(181,181,506)

### iii. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the Authority's operations utilize various foreign currencies and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies and accepting the local currency invoices only. The loss on foreign currency fluctuation during the year arose from the translation of bank balances.

## 26. CATEGORIES OF FINANCIAL INSTRUMENTS

The categorization of financial instruments as per IPSAS 41 Financial Instruments Recognition and Measurement - is as shown below:

Financial Assets	Carrying Value TZS	Held to maturity TZS	Loans and receivables TZS
<b>Year Ended 30 June 2023</b>			
Cash and Cash Equivalents	248,887,346	248,887,346	-
Trade and other receivables	3,500,869,697	-	3,500,869,697
	<u>3,749,567,743</u>	<u>248,887,346</u>	<u>3,500,869,697</u>
<b>Year Ended 30 June 2022</b>			
Cash and Cash Equivalents	632,418,340	632,418,340	-
Trade and other receivables	2,503,981,767	-	2,503,981,767
	<u>3,136,400,107</u>	<u>632,418,340</u>	<u>2,503,981,767</u>
Financial Liabilities	Carrying Value TZS	Trade financial liabilities TZS	Other financial liabilities TZS
<b>Year Ended 30 June 2023</b>			
Trade payables	6,401,999,083	6,401,999,083	-
And Other payables	1,636,505,832	-	1,636,505,832
	<u>8,038,504,915</u>	<u>6,401,999,083</u>	<u>1,636,505,832</u>



**Year Ended 30 June 2022**

Payables from exchange	4,361,761,231	4,361,761,231	-
Payables from non-exchange	1,612,666,609	-	1,612,666,609
	<u>5,974,427,840</u>	<u>4,361,761,231</u>	<u>1,612,666,609</u>

**27. ASSETS PLEDGED AS SECURITY FOR LIABILITIES**

None of the Authority's assets have been pledged as security for liabilities.

**28. EVENTS AFTER THE REPORTING PERIOD**

There were no material event adjusting or non-adjusting, which have occurred between the reporting date and the date when financial statements were authorized for issue.

**29. RELATED PARTY TRANSACTIONS**

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. TUWASA is an autonomous water utility organization owned by the Government and operates under the Ministry of Water.

**Key Management Personnel and Board Remunerations**

Key management short term benefits which were paid included salaries, allowances, and social security contributions as indicated below: -

**Key Management Personnel and Board Remunerations**

	2022/23 TZS	2021/22 TZS
<b>Key Management remuneration</b>		
Salaries	280,464,000	282,442,800
Allowances	32,820,690	-
<b>Sub total</b>	<u>313,284,690</u>	<u>282,442,800</u>
<b>Board of Directors remuneration</b>		
Board fees	52,100,000	51,000,000
Board allowances & meeting expenses	40,493,520	54,488,608
<b>Subtotal</b>	<u>92,593,520</u>	<u>105,488,608</u>
<b>Grand Total</b>	<u>405,878,210</u>	<u>387,931,408</u>

### 30. CASH FLOW RECONCILIATIONS

#### 30-A Cash receipt from customer

Description	2022/23 TZS	2021/22 TZS
Receivables from exchange transactions as at 01 July 2022	2,058,729,055	1,930,082,500
Add: Exchange revenue transaction	9,768,098,192	6,894,036,986
	<u>11,826,827,247</u>	<u>8,824,119,486</u>
Less: Receivables from exchange transactions at June 2023	<u>(3,082,335,563)</u>	<u>(2,058,729,055)</u>
Total cash paid	<u>8,744,491,684</u>	<u>6,765,390,431</u>

#### 30-B Cash receipt from other income

Description	2022/23 TZS	2021/22 TZS
Receivables from non-exchange transactions as at 01 July 2022	445,252,712	621,102,043
Add: Non exchange revenue	582,043,710	2,734,248,094
	<u>1,027,296,422</u>	<u>3,355,350,137</u>
Less: Receivables from non-exchange transactions at June 2023	<u>(418,534,134)</u>	<u>(445,252,712)</u>
Total cash receipt	<u>608,762,288</u>	<u>2,910,097,425</u>

#### 30-C Cash payment to personnel, administrative & finance cost

Description	2022/23 TZS	2021/22 TZS
Payable from non-exchange transactions as at 01 July 2022	1,612,666,609	1,505,921,824
Add:		
Personnel, administrative & finance expenses	3,591,393,477	3,002,182,969
	<u>5,204,060,086</u>	<u>4,508,104,793</u>
Less:		
Payable from non-exchange transactions as at 30 June 2023	<u>(1,636,505,832)</u>	<u>(1,612,666,609)</u>
Total cash paid	<u>3,567,554,254</u>	<u>2,895,438,184</u>



### 30-D Cash payment suppliers

Description	2022/23 TZS	2021/22 TZS
Payable from exchange transactions as at 01 July	4,361,761,231	5,249,075,936
Payable from non exchange transactions as at 01 July (RUWASA capital fund)	2,045,600,932	
Add:		
Cost of sales (Production & distribution cost)	7,088,606,013	5,261,943,547
Increase/(decrease) in inventory	(266,057,343)	526,545,092
Less:Non cash receipts(items) for project	(2,433,559,359)	-
	<u>10,796,351,474</u>	<u>11,037,564,575</u>
Less:		
Payable from exchange transactions as at 30 June	(6,401,999,083)	(4,361,761,231)
Payable from non exchange transactions as at 30 June (RUWASA capital fund)		(2,045,600,932)
Total cash paid	<u>4,394,352,391</u>	<u>4,630,202,412</u>

### 30-E Purchases of non current assets

Description	2022/23 TZS	2021/22 TZS
Actual cash purchase		
Building	14,927,220	-
Office Furniture	1,209,000	-
Water Supply Infrastructure	387,958,428	1,278,884,625
Plant & Machinery	185,989,352	-
Sewerage System	152,075,256	-
Office Equipment	17,803,000	-
Motor Vehicle	5,240,000	-
	<u>765,202,256</u>	<u>1,278,884,625</u>
Non cash purchase (Water supply infrastructure)	<u>1,262,476,554</u>	<u>69,767,408,738</u>
Total assets addition	<u>2,027,678,810</u>	<u>71,046,293,363</u>

### 30-F Additional work in progress (WIP)

Description	2022/23 TZS	2021/22 TZS
Lake Victoria project	139,341,520	-
		67

Contribution to Lake Victoria	19,179,177.97	-
Kigwa Capital Work in Progress	878,858,039.58	1,044,443,922
Kaliua Capital Work in Progress	454,799,453.03	217,014,276
Capital Work in Progress, Tura and Loya	-	52,200,000
Sikonge Work in Progress	300,622,251.6	
<b>TOTAL</b>	<b>1,792,800,442</b>	<b>1,313,658,198</b>

#### 30-G WIP movement - RUWASA

Description	2022/23 TZS	2021/22 TZS
Opening balance as at 01 July 2022	2,045,600,932	2,727,571,632
Addition during the year	-	-
Transferred to RUWASA - Completed project/assets	(2,045,600,932)	(681,970,700)
<b>Balance as at 30 June 2023</b>	<b>-</b>	<b>2,045,600,932</b>

#### 30-H Reconciliation of net cashflow from operating activities to surplus

Description	2022/23 TZS	2021/22 TZS
Deficit for the Year	(1,280,025,858)	68,935,455,827
<b>Adjustments for:-</b>		
Depreciation and amortization	2,600,603,252	2,196,111,473
Amortization - Capital Grants	(1,262,476,554)	(69,767,408,736)
<b>Operating cashflows before working capital</b>	<b>58,100,840</b>	<b>1,364,158,564</b>
<b>Changes in working capital</b>		
(Increase)/Decrease in receivables from exchange transaction	(1,023,606,508)	47,202,776
(Increase)/Decrease in receivables from non-exchange transaction	26,718,578	-
Increase/(Decrease) in inventory	266,057,342	(526,545,092)
(Increase)/Decrease in payables from exchange transaction	2,040,237,852	1,265,031,012
(Increase)/Decrease in payables from non-exchange transaction	23,839,223	-
	<b>1,333,246,486</b>	<b>785,688,696</b>
<b>Net Cash generated from operations</b>	<b>1,391,347,326</b>	<b>2,149,847,260</b>

#### 31. PRIOR YEARS' ADJUSTMENTS

No major prior year adjustment was done during the year.

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## CONTINGENT ASSETS AND LIABILITIES

As of the reporting date, no contingent assets liability that was reported.

### 32. ASSET HELD FOR SALE

During the year under review, the Authority had no asset held for sale.

### 33. LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES

#### 33-A List of Transactions/Balances with Other Government Entities on Services Offered

Name of Entity Received Goods/Services	Opening Balances TZS	Invoices issued TZS	Amount received TZS	Receivable Balances TZS
Tanzania People Defence Forces Tabora	818,210,624	1,296,031,768	819,111,738	1,295,130,654
Jeshi la magereza	140,217,598	84,159,682	-	224,377,279
Mkurugenzi Manispaa	72,740,902	74,589,411	36,346,576	110,983,738
Kitete Hospital	21,161,368	77,349,476	70,953,107	27,557,737
Tabora Boys	19,506,074	122,210,818	29,777,214	111,939,678
Tabora Girls	4,477,411	107,285,657	106,131,267	5,631,801
Chuo Cha Afya	10,557,833	30,915,555	19,360,465	22,112,923
Chuo Cha Walimu Tabora	(1,406,662)	34,536,536	24,766,529	8,363,345
<b>TOTAL</b>	<b>1,085,465,148</b>	<b>1,827,078,903</b>	<b>1,106,446,896</b>	<b>1,806,097,155</b>

#### 33-A List of Transactions/Balances with Other Government Entities on Services Received

Name of Entity Provided Goods /Services	Opening Balance TZS	Invoices received TZS	Amount Paid TZS	Payable balance TZS
The Association of Tanzania Water Supply	10,800,000	3,600,000	10,800,000	3,600,000
EWURA	307,447,691	97,729,480	138,240,273	266,936,898
KASHWASA	3,042,040,730	2,724,262,555	1,761,077,730	4,005,225,555
Lake Tanganyika River Basin Authority	84,500,523	10,681,371	6,257,690	88,924,204
Magezeza Uyui	12,890,000	19,588,500	20,765,000	11,713,500
TanESCO	63,659,405	797,982,061	792,868,584	68,772,882
Temesa	12,982,092	19,023,613	16,373,562	15,632,142
GPSA	-	78,841,000	78,841,000	-
CAG	4,000,000	4,000,000	3,550,000	4,450,000
<b>TOTAL</b>	<b>3,538,320,441</b>	<b>3,755,708,580</b>	<b>2,828,773,839</b>	<b>4,465,255,181</b>