



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF DAR RAPID
TRANSIT (DART) AGENCY FOR THE FINANCIAL YEAR ENDED
30 JUNE 2021

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March, 2022

AR/CG/DART/2020/21

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania, 1977 and in Sect. 10 (1) of the Public Audit Act, Cap. 418.

Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

Mission

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

Motto: “Modernizing External Audit for Stronger Public Confidence”

Core values

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

We do this by:

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

© This audit report is intended to be used by DART and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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Abbreviations

AFCS	Automated Fare Collection System
BOT	Bank of Tanzania
BRT	Bus Rapid Transit
CAG	Controller and Auditor General
DARMAERT	Dar es Salaam Multi-Agency Emergency Response Team
DART	Dar Rapid Transit
eGA	e-Government Authority
GEPF	General Employees' Pension Fund
GIZ	German International Corporation
IPSAS	International Public Sector Accounting Standards
ISP	Interim Service Provider
ISSAIs	International Standard of Supreme Audit Institutions
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
LAAC	Local Authorities Accounts Committee
LAPF	Local Authority Pension Fund
LATRA	Land Transport Regulatory Authority
NSSF	National Social Security Fund
PAA	Public Audit Act
PAC	Public Accounts Committee
PAR	Public Audit Regulation
PFA	Public Finance Regulations
PO-RALG	President's Office, Regional Administration and Local Government
PPA	Public Procurement Act
PPF	Parastatal Pension Fund
PPP	Public-private partnership
PPR	Public Procurement Regulations
PSPF	Public Service Pension Fund
RFP	Request for Proposal
RFQ	Request for Qualification
SUMATRA	Surface and Marine Transport Regulatory Authority
TSP	Transitional Service Provider
UEMI	Urban Electrical Mobility Initiative
UNEP	United Nation Environmental Programme
VT	Vote

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive Officer,
Dar Rapid Transport Agency,
P.O. Box 724,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of Dar Rapid Transit Agency (DART), which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, statement of changes in net assets, 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 Dar Rapid Transit Agency (DART) 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 in the manner required by the Public Finance Act, Cap. 348 [R.E 2020].

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 Dar Rapid Transit Agency (DART) 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.

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.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Permanent Secretary and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Further, Sect. 48(3) of the Public Procurement Act, 2011 2011 (as amended by the Public Procurement (Amendment) Act, 2016) 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 OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the Public Procurement Laws

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

I performed a compliance audit on procurement of works, goods and services at the Dar Rapid Transit Agency (DART) for the financial year 2020/21 as per Public Procurement Laws in Tanzania.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Dar Rapid Transit Agency (DART) is generally in compliance with the requirements of the Public Procurement Laws in Tanzania.


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



March, 2022

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
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DAR RAPID TRANSIT AGENCY**

GENERAL INFORMATION AS AT 30TH JUNE, 2021

The Dar Rapid Transit Agency (DART) is one of the semi-autonomous public organizations currently charged under the President's Office Regional Administration and Local Government (PO-RALG). It was established under then Prime Minister's Office Regional Administration and Local Government (PMO-RALG) by The Executive Agencies (The Dar Rapid Transit Agency) (Establishment) Order, 2007 issued through Government Notice Number 120 of 25th May 2007. The said Order was made under Section 3 of the Executive Agencies Act, Number 30 of 1997, CAP. 245 (as amended). The Agency is mandated to perform the following three main functions. *First*, to establish and operate Bus Rapid Transit (BRT) system in Dar es Salaam. *Second*, to ensure the orderly flow of traffic on urban streets and roads. *Third*; to ensure effective management of the Agency.

PRINCIPAL PLACE OF BUSINESS

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LAWYER

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DAR ES SALAAM - TANZANIA

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NMB Bank PLC,
Bank House Branch,
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AUDITORS

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GENERAL INFORMATION AS AT 30 JUNE, 2021 (CONTINUED)

MANAGEMENT TEAM

The Management Team of the Agency constitutes the Chief Executive, four Directors, and four Managers. Table 1 shows the Management Team that served for the year ended 30th June 2021.

Table 1: Management team for the year 2020/21

SN	NAME	DESIGNATION	DURATION
1.	Dr. Edwin P. Mhede	Chief Executive	May 2021 to Date
2.	Eng. Ronald Lwakatare	Chief Executive	January 2016 to May 2021
3.	Eng. Dr. Philemon Mzee	Ag. Director of Operations and Infrastructure Management	March 2017 to Date
4.	Dr. Eliphias Mollel	Director of Admin, Human Resource and communication	May 2020 to Date
5.	Eng. Charles Ogare	Director of Transportation and Development	March 2019 to January 2021
6.	Eng. Fanuel Kalugendo	Ag. Director of Transportation and Development	January 2021 to Date
7.	CPA. Suzana Chaula	Director of Finance and Business Development	May 2020 to April 2021
8.	CPA Ramadhani Kihadala	Ag. Director of Finance and Business Development	April 2021 to date
9.	Adv. Domina Madeli	Legal Services Manager	October 2018 to Date
10.	Ms. Scholastica Ndilanha	Ag. Procurement manager.	October 2019 to Date
11.	Ms. Christina Ng'ondi	Ag. Internal Audit Manager	October 2019 to October 2020
12.	CPA Flora Fifi	Internal Audit Manager	November 2020 to Date
13.	Mr. Ng'wanashigi Gagaga	ICT Manager	March 2018 to Date
14.	Mr. William V. Gatambi	Public Relations Manager	January 2016 to Date

MINISTERIAL ADVISORY BOARD

The Ministerial Advisory Board (MAB) provides an oversight strategic role, through the Minister responsible for Regional Administration and Local Government, in terms of Section 4.4 of the Establishment Order.

AUDIT COMMITTEE MEMBERS

In accordance with the Public Finance Regulations of 2001 (Regulation 30- 32) and Regulation 2.8 of the Agency's Financial Regulations of 2019, the Committee is responsible for reviewing and guiding financial matters and audit issues especially on value for money and good governance. Table 2 shows the list of members who have been members of the Audit Committee for the year ended 30th June 2021.

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Table 2: Members of Audit Committee for the year ended 2020/21

NAME	DESIGNATION	STATUS
Eng. Mohamed A. Ntunda	Director of Maintenance -TANROADS - HQ-DSMS.	Chairperson
Mr. William V. Gatambi	Public Relations Manager- DART	Member
Eng. Amin N. Mcharo	Principal Engineer I - TARURA	Member
Eng. Fanueli Kalugendo	System Planning & Design Manager	Secretary
Ms. Renata C. Ndege	Chief Finance Officer-TANESCO HQ	Member

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Abbreviations

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BOT	Bank of Tanzania
BRT	Bus Rapid Transit
DARMAERT	Dar es Salaam Multi-Agency Emergency Response Team
eGA	e-Government Authority
DART	Dar Rapid Transit
GEPF	General Employees' Pension Fund
GIZ	German International Corporation
ISP	Interim Service Provider
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
LAPF	Local Authority Pension Fund
NSSF	National Social Security Fund
PO-RALG	President's Office, Regional Administration and Local Government
IPSAS	International Public Sector Accounting Standards
PPF	Parastatal Pension Fund
PPP	Public-private partnership
PSPF	Public Service Pension Fund
RFP	Request for Proposal
RFQ	Request for Qualification
ROW	Right of Way
TANROADS	Tanzania Roads Agency
SUMATRA	Surface and Marine Transport Regulatory Authority
LATRA	Land Transport Regulatory Authority
TSP	Transitional Service Provider
UEMI	Urban Electrical Mobility Initiative
UNEP	United Nation Environmental Programme
PE	Personnel Emoluments
JICA	Japan International Cooperation Agency
WB	World Bank
AfDB	African Development Bank
OC	Other Charges
CCM	Chama Cha Mapinduzi

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STATEMENT BY THE CHIEF EXECUTIVE

The financial statements for the 2020/2021 fiscal year present the physical and financial status of the implementation of activities during the year, the future plans, and the challenges that the Agency faced during implementation. During the period of reporting, the Agency tackled various issues to achieve its objectives. After almost seven years of preparations and development of Bus Rapid Transit (BRT) infrastructure, the Agency managed to commence bus operations services along the DART System Phase I corridor which is characterized by a modern, efficient, and affordable transport for residents of Dar es salaam. Provision of an Interim Service (ISP) which started on 10th May 2016 was commissioned to UDA Rapid Transit (UDART) who signed a concessional agreement with DART on 24th April 2015.

To prepare for fully-fledged operations in the DART system that requires Bus Operator, Fare Collector, and Fund Manager, the Agency advertised Request for Qualification (RFQ) for Bus Operator under the international competitive tender arrangement. The procurement process is ongoing and the RFP has been issued to shortlisted bidders since 16th July 2021. Furthermore, the Government of Tanzania is developing its own Automated Fare Collection System (AFCS) and it is expected to be completed by end of fiscal year 2021/2022. The Bus Operator is expected to be procured by June 2022.

The activities under review were financed by the Government of Tanzania, the World Bank, Urban Electrical Mobility Initiative (UEMI) of Germany and, the United Nations Environmental Programme (UNEP). Other sources of income accrued from access fees advertisements, parking, and toilets along the BRT corridor. There is an increase of grants from the Government from TZS 2,453,820,207 in the year 2019/2020 to TZS 2,723,836,103 in 2020/2021 equivalent to 11% of which TZS 1,433,467,444 was for Personal Emoluments while TZS 696,396,000 was for other charges and TZS 593,972,659 was for the development of new Government AFCS. The increase of funds is due to a slight additional personal emoluments (PE) and Other Charges (OC) that were received as planned. Moreover, the World Bank grants have increased from TZS 4,094,845,790 in the year 2019/2020 to TZS 5,115,098,750 in the year 2020/2021 equivalent to 25%. The increase of grants from the World Bank was due to an increase in activities financed under the World Bank during the year. Also, the Agency in the year 2020/2021 received the grant of USD 75,000 equivalent to TZS 172,500,000 from UNEP for soot-free project, this project were not in the budget for the year 2019/2020. The Agency in the year 2020/2021 has not used the grant amount of TZS 242,458,852 from UEMI for the electrical Bajaj project that was subject to approval from the Ministry of Finance and TZS 172,500,000 from UNEP which was received late in June 2021.

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The Agency continues to implement its activities in collaboration with other stakeholders to ensure sustainable public transport services in Dar es Salaam which is in connection with the implementation of the ruling party Manifesto of 2020 as stated in section 54 (c) of that Manifesto. We appreciate the financial support from the Government of Tanzania, the World Bank, the African Development Bank, the Government of Germany, Dar es Salaam Regional Government, the Tanzania Police Force, Ministry of Works, Japan International Cooperation Agency (JICA), NMB Bank PLC, and the office of Attorney General. We also recognize support from fellow Government Organizations such as Tanzania National Roads Agency (TANROADS), Land Transport Regulatory Authority (LATRA), e-Government Authority (eGA), Office of the Treasurer Registrar (OTR), and all other stakeholders for their support and teamwork spirit. I believe that our joint efforts will continue to enable smooth and efficient operations of DART project in Dar es Salaam which contributes to the reduction of poverty, improve living standards, and lead to sustainable economic growth. The good performance of the project serves as a pioneer of private and public investment partnerships in the transport sector.

The Agency is determined to increase the level of mobility, promote the use of non-motorized transport, and meet the ever increasing travel demand so as to ensure the orderly flow of traffic on urban streets and roads with the ultimate aim of increasing comfort and quality of life and urban development

Dr. Edwin P. Mhede, Ph.D.

THE CHIEF EXECUTIVE

DATE: 08/02/2022

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
DAR RAPID TRANSIT AGENCY**

MANAGEMENT REPORT OF THE AGENCY

1. INTRODUCTION

The Dar Rapid Transit Agency (DART) was established by an Establishment Order published in the GN. No. 120 of 25th May 2007 under the powers conferred upon Section 3 of the Executive Agencies Act No. 30 of 1997, CAP. 245 (the said to be read concomitantly with subsequent amendments thereon). Presently, the Agency operates under the strategic guidance of the honorable President's Office, Regional Administration and Local Government (PO-RALG). The Agency was launched on 16th June 2008. As provided in the Establishment Order, the Agency aims at achieving the following objectives:

- (i) Establishing and operating a Bus Rapid Transit (BRT) system for Dar es Salaam;
- (ii) Ensuring the orderly flow of traffic on urban streets and roads; and
- (iii) Ensuring effective management of the Agency.

The Vision of the Agency is to "have a modern public transport system at reasonable cost to the users and yet profitable to the operators using a high quality capacity buses which meet international standards, environmentally friendly, operating on exclusive lanes, at less travelling time and ensuring user satisfaction". With a Mission of providing quality, accessible and affordable mass transport system and improve urban mobility for the residents of Dar es Salaam which will subsequently, enable poverty reduction, improve living standard and lead to sustainable economic growth and act as a pioneer of private and public investment partnership in the transport sector in the city.

1.1 FUNCTIONS OF THE AGENCY

According to the Dar Rapid Transit Agency Establishment Order, of May 2007, the Agency has the following functions:-

- (i) Prepare, implement Strategic and Business plans and associated budgets;
- (ii) Implement approved plans, including the achievement of performance targets;
- (iii) Ensure delivery of DART system and services to customers and, on schedule and to the expected standard;
- (iv) Organise and manage all Agency's resources allocated to it efficiently, economically and in accordance with the principles of fairness and equality as outlined in Government policies and Financial Regulations;

FUNCTIONS OF THE AGENCY (CONTINUED)

- (v) The setting of user tariffs for products and services for the recovery of operational costs plus a reasonable development margin;
- (vi) Prepare Annual Report and Audited Financial Statements in accordance with Public Finance Act and Regulations for submission to the Permanent Secretary and the Minister for Prime Minister's Office Regional Administration and Local Government;
- (vii) Ensure that all aspects of the management and organisation are kept under review and that they suit DART' business needs best;
- (viii) Ensure the development and implementation of DART system succeed;
- (ix) Negotiate and monitor support provided by donors for implementation of the DART system;
- (x) Appoint and manage effectively employees of the DART in accordance with the Public Service Act and its regulations;
- (xi) Ensure DART system is managed efficiently taking into consideration National Policies and Legal requirement; and
- (xii) Work closely with other key players in the city to ensure better delivery of DART system and services.

The DART Agency Management has the pleasure in submitting the financial statements of the Agency for the year ended 30 June, 2021.

2. CORE VALUES

Core values of the Agency are as follows;

- (i) Customer Focus - To have customer driven quality;
- (ii) Innovativeness - To have a philosophy of continuous improvement;
- (iii) Cost Effective - By making it accessible to low-income users, while at the same time profitable for private operators and fundable by the state;
- (iv) Timeliness - To promote timely delivery of services;
- (v) Team Work - To encourage and respect team work spirit among staff;
- (vi) Safety - To promote a safe and secure system;
- (vii) Sustainability - To be a financially self-sufficient system;
- (viii) Environmentally Friendly - To promote reduction of motor vehicle emissions and pollution and
- (ix) Poverty Reduction - To foster economic growth and improve standards of living.

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MANAGEMENT REPORT OF THE AGENCY (CONTINUED)**

Achievements during the year

The Agency implemented the following activities during the Financial Year 2020/21:

- (i) Effective management of Transitional Service Provider (TSP) contract agreement between DART and the transitional service provider (UDART) by enhancing the transparency and quality of service in DART system phase 1. DART Agency achieved this through enforcing monthly monitoring and supervision of TSP services (monitoring KPIs, non-compliance areas and taking contractual measure as per TSP contract).
- (ii) Effective supervision of travel service in the DART system: There has been fairly steady average passenger ridership from July 2020 to December 2020. However, there has been a reduction of average daily passenger's ridership from January 2021 to May 2021 due to level seating directives from the government as one of measures to curb transmission of the Corona virus. Also, the reintroduction of private vehicles (daladala) in the DART system to supplement bus service contributed to the plummet of revenue in the system. However, the daily passenger ridership started to improve from June 2021 onwards as a result of improvement in bus maintenance by ordering new gear boxes for eight (8) buses. The Figure 1 and Figure 2 present the average daily passengers and fare collection for the reporting year, respectively.

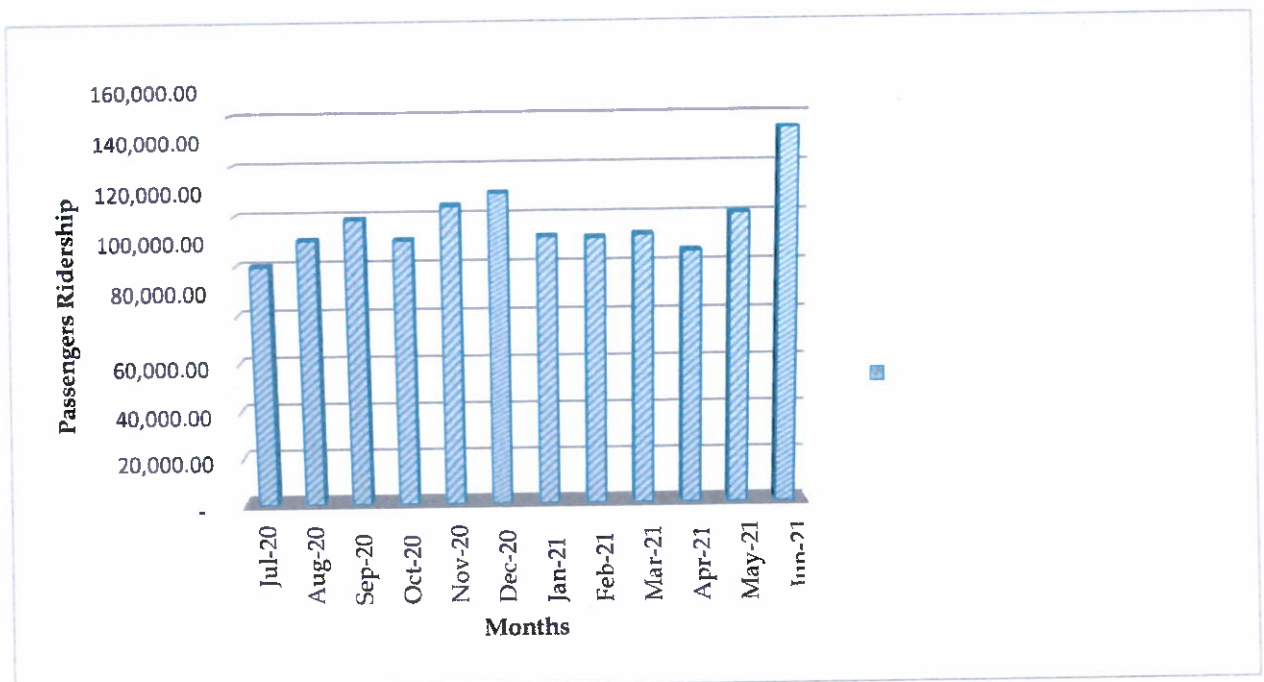


Figure 1: Average daily passengers for financial year 2020/21

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Achievements during the year (Continued)

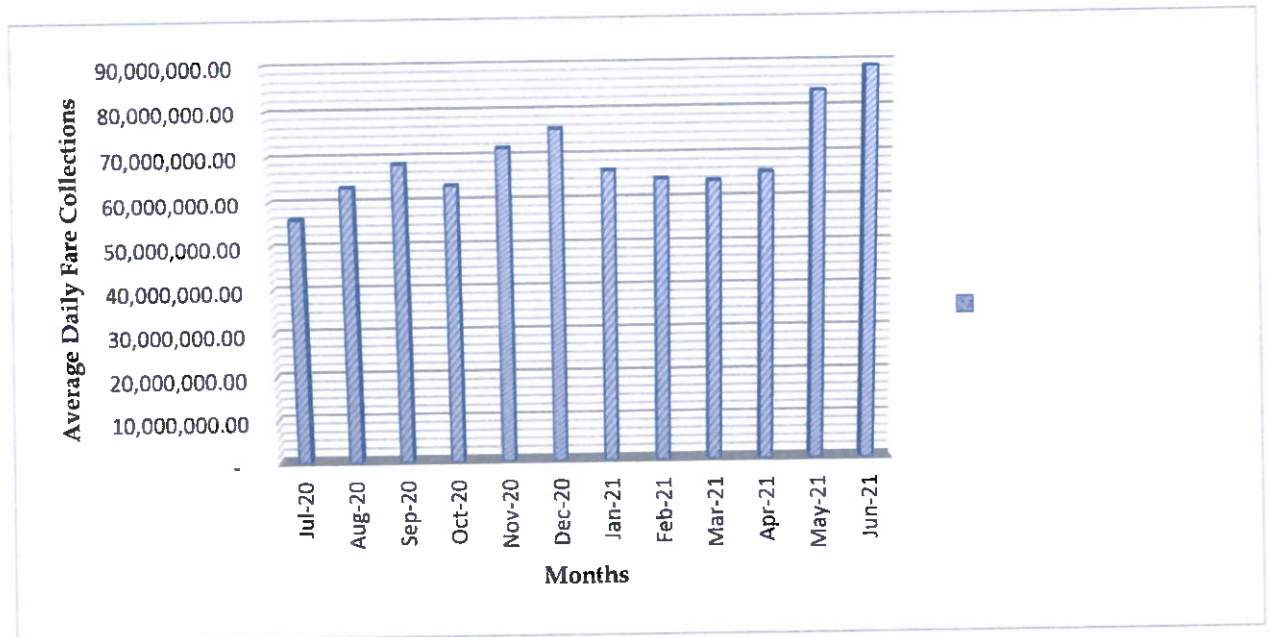


Figure 2: Average Daily Fare Collection for financial year 2020/21

(iii) Inventory of infrastructure.

In order to inform the Agency on the maintenance needs, the Agency has updated an inventory of all infrastructure falling under the jurisdiction of the Agency. The inventory of infrastructure also serves as immediate input in various areas of operations and infrastructure management. This inventory covers the terminals, pedestrian bridges, stations and the depot. Major components are walls, windows, doors, roof ceiling, and roof coverings. Other components include gutters, steel columns, water downpipes, toilets, furniture, fittings, finishing, ITC/AFCS systems, directional signage, generators, pedestrian bridges, and security lights. The information contained therein forms a basis for preparation of fare collectors' contract who will also carry out the functions of station management.

(iv) DART has completed the valuation and verification for Compensation of PAPs for DART System Phase II and III

Phase II: All the compensation funds for Phase II amounting to TZS 34,199,451,962 were received from the Government in October, 2018. Phase 2 had 104 project affected persons (PAPs) and up to the end of the Financial Year 2020/2021, 91 PAPs were compensated to the tune of TZS 30,257,274,612. The remaining 13 PAPs whole total amount of compensation was TZS 3,942,177,350 were not paid due to land disputes among themselves. Some of the unpaid PAPS were government institutions from which it was ruled that Government Institutions were not to be paid compensation using same arrangement with private PAPs. The arrangement for payments of PAP which had land disputes is underway.

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However, out of the remaining balance TZS 3,942,177,350 , TZS 1,224,438,408.80 was paid to 25 PAPs for **BRT Phase I** at Kariakoo Gerezani after the Agency seeking approval to use the funds from Paymaster General (Ministry of Finance and Planning), therefore the remaining balance at the end of the financial year 2020/21 was TZS 2,717,738,941.20

The PAPs have been compensated at Mbagala site for the Terminal and Depot, Mtoni Kijichi, Mtonikwa Azizi Alli and Chang'ombe for the feeder stations and Keko for the road corridor.

Phase III: The Ministry of Finance and Planning (MoFP) released TZS 5,271,370,293.42 on April 2019 for compensation of 78 PAPs for DART project Phase III. The payment of compensation funds to PAPs commenced in July, 2019 and up to 30th June 2021, the total amount compensated was TZS 5,219,011,893.42, the remaining amount of TZS 52,358,400.000 were not compensated due to land dispute among themselves. The PAPs have been compensated at Congo la mboto site for the Bus Terminal, Mombasa Street for the feeder station and Ukonga and Airport streets for the road corridor.

2.1 CHALLENGES AND WAY FORWARD

The following challenges were encountered and the way forward:

(i) Invasion of Petty Traders, Vehicles and Motorcycles in the DART Infrastructure:

The invasion of petty traders to DART infrastructure causes different problems including littering and general uncleanliness at terminals, stations and along the corridor. Also, the invasion of vehicles and motorcycles causes fatal accidents on the exclusive DART lanes. However, the Agency has continued to engage key stakeholder that include the Police, Municipalities, the Regional Commissioner, the Regional Administrative Secretary and District Commissioners in resolving the invasion issue. The Agency is proceeding with education campaign to all stakeholders on proper usage of the DART system in order to reduce the rates of road accidents to minimum levels and curb vandalism of the DART system.

(ii) Legal Challenges:

The Agency lacks mandate to enforce its own regulations that would suit its operation model and the management of the project it oversees. This emanates from the fact that the Agency was established under Subsidiary Legislation.

However, the Agency has requested the PO-RALG for the enactment of law that will not only give DART the mandate to oversee the project but rather give the Agency authority over developing modern public transport across the cities in the country.

(iii) Challenges of Fare Collection System:

The Agency is using LGRICS to collect bus fare at the stations and terminals. With the present system the fare collection is done via paper tickets that does not support the use of smart cards. This can create possible leakages of fare revenues. However, the Government

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has developed its own Automated Fare Collection System (GoT_AFCS) which is under testing in ten (10) bus stations. The new system uses paper tickets with QR codes and the attendants use Point of Sale Machines (POS) to validate the tickets from passengers.

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(iv) Deterioration of services including delays of buses

The deterioration of services normally arises from the issues of punctuality and availability of buses. The number of buses available in provision of travel service determines the level of service to passengers. The frequent breakdown of buses causes disruption of travel services as it reduces the number of buses available for passengers, hence increases delays contrary to intended objectives of DART travel service.

However, the Agency has continued to monitor the key performance indicators as stipulated in the TSP Agreement and work with UDART team to improve the performance. UDART repaired buses to increase the number of buses on the road. Follow up was frequently done with Traffic Police to improve flow of buses through junctions where the DART buses are given preference over mixed traffic. The number of cashiers was increased to reduce congestion at the stations. The number of ticketing booths were increased at Gerezani and Kivukoni for reducing congestion

The Agency is working with UDART team to ensure performance is improved. Efforts are underway to have a full service with increased feeder routes through a procurement process.

(v) Flooding at Msimbazi Valley:

Flooding at Msimbazi valley affects the Jangwani depot and blocks the normal flow of vehicles. However, cleaning of BRT infrastructure (depot and bus ways) which started in April, 2018 to date together with frequent desilting of Msimbazi river as one of the short term solutions being carried out by TANROADS, has not been successful. Moreover, the surrounding areas are also facing similar situation to the extent that all other social activities which were formally being conducted at Jangwani area including political, and religious congregations, play grounds, car packing and other similar activities are currently totally stopped. In that regard, the floods at the area has decreased the use value of the depot site.

However, in order to maintain the value of the area and make sure that bus operations are not affected, the Management of DART Agency is closely following up the ongoing Hydrological study, detailed engineering design and feasible option for safeguarding the depot which is being done by TANROADS through Consultant; M/S CDR International B.V in association with M/S Deltares and M/S Wema Consultants.

(vi) Unavailability of the site for Bus Depot at Gongo la Mboto

The Agency had been explored the sites for bus depot for Phase III within the Military land at Gongo la mboto. The Ministry of Defence and National Services initially provided the site to be used under the DART project but later on cancelled such arrangement for security reasons.

However, the Agency has already been secured the Kilitex area in Gongo la mboto area as an alternative site for construction of phase 3 BRT depot.

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FUTURE PLAN

2.2.1 DART System Phase II

The BRT Phase II that is presently in construction is expected to be completed in March 2023. The construction works have been divided into two separate lots:

a) Lot 1: Road Works (20.3 km roads, 2 flyovers and 27 bus stations)

The Lot 1: Road Works of DART Phase II comprises of 20.3km of dedicated bus lanes and mixed traffic lanes, 2 Fly-overs at VETA and Uhasibu and 27 Bus stations at the median of the corridor. The Contractor for Lot 1 is Sinohydro Corporation Limited from China while the Consultant is BOTEK Bosphorus Consulting Corporation from Turkey. The infrastructure construction for Lot 1 commenced on 6th May, 2019 and were planned to be executed for a period of 3 years until 5th May, 2022. But currently the completion date has been extended to 27th March 2023. The current work progress was at 30% as of June 2021.

b) Lot 2: Building Works (1 Depot, 2 terminals and 4 feeder stations)

The Lot 2: Building Works of DART Phase 2 comprises of 1 Bus Depot at Mbagala, 2 Bus Terminals at Mbagala and Kariakoo-Gerezani and 4 Feeder Stations at Chang'ombe/DUCE, Mtoni kwa Azizi Ally, Mtoni Kijichi (Misheni) and Zakhem. The Contractor for Lot 2 is M/s China Civil Engineering Construction Corporation (CCECC) from China while the Consultant is M/s Inter Consult Limited from Tanzania. The infrastructure construction for Lot 2 commenced on 1st March, 2019 and were planned to be executed for a period of 2 years until on 31st July, 2021. The project is substantially completed.

The Phase 2 BRT corridor is designed to be along Kilwa Road (from the City centre to Mbagala area) including Sokoine drive, (from Zanaki Street to Gerezani round about), Gerezani Street (from Gerezani round about to Nyerere-Msimbazi junction), Bandari Street (from Gerezani round about to Bendera tatu), Chang'ombe Road (from Jitegemee round about to Nyerere-Kawawa junction) and South Kawawa road (from Nyerere-Kawawa junction to Kawawa-Morogoro junction) with a total of 20.3km.

It involves the construction of BRT infrastructure that includes 20.3 km of exclusive BRT lanes, 27 Bus Stations at the median of the corridor, 2 Terminals at Mbagala and Kariakoo Gerezani, 2 Fly-overs at VETA (Nyerere - Kawawa - Chang'ombe junction) and Uhasibu (Kilwa - Mandela junction), 1 Depot at Mbagala and 4 Feeder Stations at Chang'ombe/DUCE, Mtoni kwa Azizi Ally, Mtoni Kijichi (Misheni) and Zakhem

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The BRT Phase II system is similar to BRT Phase 1 configuration with bus services running in the middle of the road corridor.

2.2.2 Financing and Development of DART Phase III - VI Infrastructure

Development of DART System Phase III

The Government of the United Republic of Tanzania (GOT) has received a Credit from the International Development Association (IDA) in the form of IDA Regular Credit in the amount of US\$ 225 million and IDA Scale-Up Facility (SUF) Credit in the amount of US\$200 million, to support the Dar es Salaam Urban Transport Improvement Project (DUTP). The implementing entities of the Project are Tanzania National Roads Agency (TANROADS) and Dar Rapid Transit Agency (DART). The DUTP project has three main components: The Construction of Ubungo Interchange and Associated Facilities; the Implementation of BRT Phase III and IV; and the Improvement of BRT Phase I.

The initial BRT infrastructure designs for Phase III were undertaken by the Consultant known as Kyong Dong Engineering Co. Ltd from Korea in association with Ambicon Engineering Co. Ltd from Tanzania. The Consultants M/s DOHWA Engineering Co. Ltd in association with UNITEC Civil Consultants Ltd were procured through TANROADS to undertake design review and supervision of works. This assignment has been completed with the final reports submitted and approved.

Phase III infrastructure that covers 23.6km includes exclusive bus lanes, 3 bus terminals at Kariakoo, Airport and Gongo la mboto, 1 bus depot at Gongo la Mboto, 3 feeder stations at Mombasa, Jet Club and Banana, 32 convectional bus stations, 5 pedestrian bridges and non-motorized facilities.

Development of DART System Phase IV, V and VI

Phase 4 covers 30.1km with the corridor runs along Sam Nujoma, Ali Hassan Mwinyi and Bagamoyo roads to Boko. The Consultants known as Kunhwa Engineering & Consulting Co. Ltd from Korea has been procured to undertake feasibility study and detailed engineering design. The consultant has already submitted the first draft of detailed engineering design reports to DART Agency for review.

The same consultant (Kunhwa Engineering & Consulting Co., Ltd) was procured to undertake a feasibility study and detailed engineering design for DART system phase 5. The consultant has submitted the final reports. Its corridor has a total of 27.6 km and runs along Mandela road from Ubungo through TAZARA to Uhasibu connecting the road to and terminating at Kigamboni Bridge. It also includes Tabata road from Segerea through Kigogo road to Kigogo roundabout.

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The corridor for DART system Phase 6 covers a total of 26.5 km of MwaiKibaki road and the extensions for Phase I & II from Kimara to Kibamba and Mbagala to Vikindu respectively.

The six Phases of DART system are planned to be completed and be in full operational by 2030.

2.3 BUDGET PERFORMANCE COMPARISON

2.3.1 SUMMARY OF ACTUAL FUND RECEIVED AND SPENT 2020/21 AND 2019/20.

The summary of the actual funds received during Financial 2020/21 & 2019/20 is shown in Table 3

Table 3: Summary of the actual funds received during financial 2020/21 & 2019/20

S/N	Sources of fund	Amount (TZS) 2020/21	%	Amount (TZS) 2019/20	%
1	Recurrent PE	1,433,467,444	12%	1,139,924,707	10%
2	Recurrent OC	696,396,000	6%	638,363,000	6%
3	Revenue Grants - WB	5,115,098,750	44%	3,962,305,544	36%
4	Grants from UEMI	-		242,458,852	2%
5	Revenue Grants-UNEP	172,500,000	1%	-	-
6	Other Government Development Grant (funds for AFCS)	593,972,659	5%	675,532,500	6%
7	Own Source	3,671,531,806	32%	4,290,770,090	39%
	TOTAL	11,682,966,659	100%	10,949,354,693	100%

The summary of actual funds spent during financial 2020/21 & 2019/20 is shown in table 4.

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Table 4: Summary of actual funds spent during financial 2020/21 & 2019/20

S/N	Sources of fund	Amount (TZS) 2020/21	%	Amount (TZS) 2019/20	%
1	Recurrent PE	1,418,621,312	10%	1,139,924,707	7%
	Recurrent OC	514,604,969	4%	449,453,608	3%
2	Revenue Grants - WB	5,115,098,750	35%	3,962,305,544	25%
3	Revenue Grants - GIZ	0	0%	92,072,403	1%
4	Development Funds Gvt (funds for Land Compensation)	2,870,002,458	20%	5,480,538,829	35%
5	Other Government Development Grant (funds for AFCS)	399,824,375	3%	481,885,020	3%
6	Own Source	4,141,796,172	29%	4,044,232,837	26%
	TOTAL	14,459,948,036	100%	15,650,412,948	100%

The actual funds spent during the year exceeds the actual funds received due to carryover funds mainly for land compensation from previous years that were brought down in the year 2020/21.

2.4 SUSTAINABILITY OF THE AGENCY

The Agency operates under the guidance of the President's Office, Regional Administration and Local Government - (PO-RALG). As such it receives its fund from normal Government budget to meet both recurrent and development expenditure. On the other hand, the Agency has training program for its staff in order to equip them with appropriate knowledge. The Agency also collaborates with all stakeholders in its day-to-day operations.

2.5 EMPLOYEES WELFARE

There were continued good relations between employees and Management for the year 2020/21. All major decisions affecting employees were discussed in the Management Team meetings. To enhance employee relations, at work place, the Management of DART Agency has formed workers' council, after meeting all the required qualifications including establishing of TUGHE branch which has 39 members from the Agency

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THE FUTURE PLAN (CONTINUED)

2.6 CAPACITY BUILDING TO STAFF AND STAKEHOLDERS.

The DART organizational structure is at the final stage waiting for Chief Secretary Approval. Currently the Agency has sufficient staff except few staff of technical area, such as Quantity Surveyor Engineer and Environment Engineer. Also Staff from different departments and sections have been facilitated to attend short courses in various areas which have empowered them with relevant skills and knowledge.

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FINANCIAL REPORTING

This part covers the statement of Management responsibility, commentary to the financial statement, statement of declaration of head of finance and business development, and financial statements for the year ended 30th June 2021.

**1.1.1 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED
30TH JUNE 2021**

Section 25(3) of the Public Finance Act 2001, as revised in 2004, requires management to prepare Financial Statement for each financial year, which gives a true and fair view of receipts and payments of the reporting entity as at the end of the financial year. It also requires management to ensure the reporting entity keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the reporting entity. They are also responsible for self-guarding the assets of reporting entity. Management accepts responsibility for the annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable judgments and estimates, in conformity with the Accrual Basis International Public Sector Accounting Standards (IPSAS). Financial Reporting under the Accrual Basis of Accounting, and in the manner required by the Section 25(4) of the Public Finance Act 2001. Management is of the opinion that the Financial Statement gives a true and fair view of the state of the financial affairs of the reporting entity. Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statement, as well as adequate systems of the internal financial control. Management is responsible for safe guarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities. To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that records and underlying accounts provide a reasonable basis for the preparation of the financial statements, the information it contains, and its compliance with the Public Finance Act 2001 and instructions from the treasury. Procurement of goods, works, consultancy and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act No. 9 of 2011. Nothing has come to the attention of the management to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Dr. Edwin P. Mhede, Ph.D.
THE CHIEF EXECUTIVE

DATE: 08/02/2022

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FINANCIAL REPORT (CONTINUED)**

1.2 STATEMENT OF DECLARATION OF THE HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 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 applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Management as under Management statement of Responsibility on an earlier page.

I, **RAMADHANI KIHADALA** being the Acting Director of Finance and Business Development of DART Agency during the period under review do hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2021 have been prepared in compliance with applicable accounting standards and statutory requirements.

I therefore confirm that the financial statements give a true and fair view position of the DART Agency as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: **Ag. Director of Finance and Business Development**

NBAA Membership No. GA 4586

Date: 

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FINANCIAL REPORT (CONTINUED)

**1.3 COMMENTARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2021**

1.3.1 INTRODUCTION

The DART Agency implemented its annual budget based on the Medium-Term Expenditure Framework and the rolling Medium Term Strategic Plan covering the period of five years.

1.3.2 OVERVIEW OF FINANCIAL STATEMENTS

The following are comments regarding the Financial Statements of DART Agency, which elaborate more on the figures appearing in the Statement of Financial Position, Statement of Financial Performance, Statement of Comparison of budget and actual amount up to 30 June 2021.

1.3.2.1 Financial Position

Financial position comprises of cash and cash equivalent, Inventories, Prepayment, Receivables, Property, Plant and Equipment, Intangible Assets. Payables, Deferred Income, Deposits, and Net Assets/Equity.

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Table 5: Performance Analysis for the Statement of Financial Position as at 30th June 2021

	2020/2021	2019/2020	Absolute	%	Commentary
	TZS	TZS	Change	Change	
ASSETS					
Current assets					
Cash and cash equivalents	3,893,267,738	6,687,222,267	(2,793,954,529)	-42%	1.3.2.2
Receivables	8,698,401,913	5,992,263,441	2,706,138,472	45%	1.3.2.3
Inventories	190,412,053	102,260,050	88,152,003	86%	1.3.2.3
	12,782,081,704	12,781,745,757	335,947	0%	
Non-current assets					
Property, plant and equipment	118,823,254,590	117,642,659,854	1,180,594,736	1%	1.3.2.4
Intangible assets	-	-	-		1.3.2.5
	118,823,254,590	117,642,659,854	1,180,594,736	1%	
TOTAL ASSETS	131,605,336,294	130,424,405,611	1,180,594,736	1%	
LIABILITIES					
Current liabilities					
Payables	2,277,552,888	499,531,206	1,778,021,683	356%	1.3.2.6
Deferred income (Grant)	555,554,049	383,054,048	172,500,000	31%	1.3.2.7
	2,833,106,937	882,585,253	1,950,521,683	221%	
Non-current liabilities					
Deferred income (Grant)	186,248,630	186,248,630	-	0%	
	186,248,630	186,248,630	-	0%	
TOTAL LIABILITIES	3,019,355,567	1,068,833,883	1,950,521,683	221%	
NET ASSETS	128,585,980,726	129,355,571,729	769,591,003	3%	1.3.2.8
Financed by					
Taxpayers Fund	106,906,582,474	106,906,582,474	-	0%	
Accumulated Surplus	21,679,398,252	22,448,989,255	769,591,003	3%	
TOTAL NET ASSETS	128,585,980,726	129,355,571,729	769,591,003	3%	1.3.2.8

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1.3.2.2 Cash and Cash Equivalent

Cash and Cash Equivalent as at 30th June 2021 is TZS 3,893,267,738. This fund comprises of own source, other charges, salaries (deduction for the month of June 2021) and development funds for payment of land compensation and electrical Bajaj project.

1.3.2.3 Receivables and Inventories

Receivables as at 30th June 2021 were TZS 8,698,401,913 whereas in the previous year there were receivables amounting to TZS 5,992,263,441 the increase of 45%. The increase in receivables was caused by increase in performance deductions charged to the service provider for underperformance as per TSP contract and increase of activities with no objection from the World Bank but were not implemented during the year. Inventories during the year amounted to TZS 190,412,093 where as in the previous year was TZS 102,260,050 the increase of 86%. The increase was due to bulky inventories bought at the period close to the year end.

1.3.2.4 Property, plant and Equipment (PPE)

The total carrying amount of PPE as at 30th June 2021 was TZS 118,823,254,590 as compared to TZS 117,690,159,798 for the financial year ended 30th June 2020, increase of 1%, the increase is caused by the acquisition of the assets. During the year the management made adjustments to both cost of PPE and accumulated depreciation amounting to TZS 3,219,708,500 (Jangwani Building TZS 3,219,200,000 and Bore holes TZS 508,500) following the previous year recognition of impairment loss that omitted some of the cost and the accumulated depreciation of PPE. Also the management made reclassification of some of the assets which belong to plant and machinery but were recorded in furniture and fittings, the reclassification made in order to comply with the Public Asset Management Guideline (PAMG) Revised Edition 2019 as summarized in the following table.

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COMPONENTS	AUDITED E/S FIGURES ORIGINAL AMOUNT (2019/2020) TZS	Reclassified to New Component (2020/2021)	RECLASSIFIED AMOUNT (2020/2021)	Reason for Re- classification
Assets				
Furniture & fittings	448,119,419.00	Infrastructural Assets	149,000,000.00	Compliance with Public Asset Management Guideline (PAMG)
		Computers & Accessories	48,051,514.00	
	448,119,419.00		197,051,514.00	

1.3.2.5 Intangible assets

The intangible asset involved Epicor Accounting Software. There is no value for intangible assets for the year 2020/21 due to the fact that intangible assets have been fully amortized during the year, and currently the Agency has moved to MUSE system.

1.3.2.6 Payables

During the year ended 30th June, 2021 payables were TZS 2,277,552,888 and for financial year 2019/20 payables was TZS 499,531,206, an increase of 356%. The increase was mainly due to funds committed by donor (World Bank) but not paid for good and services enjoyed by the Agency.

1.3.2.7 Deferred Income

During the year 2020/21 Recurrent Deferred Income was TZS 555,554,049 and Capital Deferred Income was TZS 186,248,630 whereas in the previous year, Recurrent Deferred Income of TZS 383,054,048 while no changes to for Capital Differed Income. The increase was due to the funds from UNEP which was received late in June 2021.

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1.3.2.8 Net asset/ Equity

The financial year ended 30th June 2021 the total of net asset is TZS 128,585,980,726 while for the previous year was TZS 129,355,571,728.

1.3.3 FINANCIAL PERFORMANCE

Table 6 presents the analysis of components of statement of financial performance for the reporting period.

Table 6: Performance Analysis for the Statement of Financial Performance for the year ended 30th June 2021

	2020/2021	2019/2020	Absolute Change	% Change	Commentary
	TZS	TZS			
Revenue					
Revenue from exchange transactions	3,669,921,806	4,667,969,836	(998,048,030)	-21%	1.3.3.1
Revenue from non exchange transactions	9,882,044,852	7,048,793,338	2,833,251,514	40%	1.3.3.2
	13,551,966,658	11,716,763,174			
Expenses					
Wages, salaries and employee benefits	3,558,151,925	2,314,088,869	1,244,063,056	54%	1.3.3.3
Supplies and consumables used	8,433,249,739	6,321,383,005	2,073,446,756	33%	1.3.3.4
Depreciation and amortization	1,798,759,418	1,828,783,564	(30,024,146)	-2%	1.3.3.5
Maintenance Expenses	578,896,523	948,966,127	(354,533,586)	-37%	1.3.3.6
Impairment Loss	-	16,905,941,500	(16,905,941,500)	-100%	
	14,369,057,604	28,319,163,065			
Surplus/(deficit) during the year	(817,090,946)	(16,602,399,891)			

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1.3.3.1 Revenue from exchange transactions

These are monies received from permits on billboards and posters, access fees received from service provider, parking fees, sanitary charges. The financial year ended 30th June, 2021 shows that DART earned revenue of TZS. 3,669,921,806 compared to TZS 4,667,969,836 collected in the financial year 2019/20, a decrease of 21%. The decrease was caused by frequent closure of toilets as part of infrastructural maintenance during the year 2020/2021 and end of all advertisement contracts in December 2020.

1.3.3.2 Revenue from Non Exchange Transaction

In financial year 2020/21 non exchange revenue was TZS 9,882,044,852 and for financial year 2019/20 was TZS 7,048,793,338. The increase was caused by funds received from the from donors (UNEP and WB).

1.3.3.3 Wages, Salaries and Employment Benefits

In financial year 2020/21 wages and salaries were TZS 3,558,151,925 and for financial year 2019/20 was TZS 2,314,088,869. The increase is due to transfer of some employees to the Agency as a result of increased operations.

1.3.3.4 Supplies and Consumable Goods

In financial year 2020/21 supplies and consumable goods were TZS 8,433,249,739 and for financial year 2019/20 was TZS 6,321,383,005. The increase was due to the increase of expenditure for the activities funded by WB.

1.3.3.5 Depreciation and Amortization

During the year DART charged TZS 1,798,759,418 as Depreciation and amortization from Non-Current assets, the previous year depreciation was TZS 1,828,783,564.

1.3.3.6 Maintenance Expenses

In financial year 2020/21 maintenance expenses was TZS 578,896,523 and for financial year 2019/20 was TZS 948,966,127. The decrease is due to the decrease of maintenance activities for the fiscal period under review.

1.3.3.7 Surplus/ (Deficit) for the Year:

In financial year 2021/20 there was deficit of TZS 817,090,946 while in the previous year there was a deficit of TZS 16,602,399,891.

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1.3.4 Auditors

The Controller and Auditor-General (CAG) is the statutory Auditor for the Agency pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2000), Section 9 - 12 of the Public Audit Act, 2008, Section 30(1) sub sect (a) and sub sect (b) of the Public Finance Act No 6 of 2001 (revised 2004).

Dr. Edwin P. Mhede, Ph.D.

THE CHIEF EXECUTIVE

DATE: 08/02/2022

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STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021**

	<u>Notes</u>	<u>2020/2021</u> TZS	<u>2019/2020</u> TZS
ASSETS			
Current assets			
Cash and cash equivalents	16	3,893,267,738	6,687,222,267
Receivables	17	8,698,401,913	5,992,263,441
Inventories	18	190,412,053	102,260,050
		<u>12,782,081,704</u>	<u>12,781,745,758</u>
Non-current assets			
Property, plant and equipment	19	118,823,254,590	117,690,159,798
Intangible assets	20	-	-
		<u>118,823,254,590</u>	<u>117,690,159,798</u>
TOTAL ASSETS		<u>131,605,336,294</u>	<u>130,471,905,555</u>
LIABILITIES			
Current liabilities			
Payables	22	2,277,552,888	499,531,206
Deferred income	10	555,554,049	383,054,048
		<u>2,833,106,937</u>	<u>882,585,253</u>
Non-current liabilities			
Deferred income	11	186,248,630	186,248,630
		<u>186,248,630</u>	<u>186,248,630</u>
TOTAL LIABILITIES		<u>3,019,355,567</u>	<u>1,068,833,883</u>
NET OF TOTAL ASSETS & LIABILITIES		<u>128,585,980,726</u>	<u>129,403,071,672</u>
NET ASSETS			
Taxpayers Fund		106,906,582,474	106,906,582,474
Accumulated Surplus		21,679,398,252	22,496,489,198
TOTAL NET ASSETS		<u>128,585,980,726</u>	<u>129,403,071,672</u>

The financial statements were authorised for issue by the Management Meeting on 23.09.2021 and were signed on its behalf by:-

Name: CPA Ramadhani Kihadala

Title: A g . DFBD

Signature: 

Name: Dr. Edwin P. Mhede, Ph.D.

Title: CE

Signature: 

**THE UNITED REPUBLIC OF TANZANIA
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**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2021**

	<u>Notes</u>	<u>2020/2021</u> TZS	<u>2019/2020</u> TZS
Revenue			
Revenue from exchange transactions	8	3,669,921,806	4,667,969,836
Revenue from non exchange transactions	9	9,882,044,852	7,048,793,338
		<u>13,551,966,658</u>	<u>11,716,763,174</u>
Expenses			
Wages, salaries and employee benefits	12	3,558,151,925	2,314,088,869
Supplies and consumables used	13	8,433,249,739	6,321,383,005
Depreciation and amortization	14	1,798,759,418	1,828,783,564
Maintenance Expenses	15	578,896,523	948,966,127
Impairment Loss	25	-	16,905,941,500
		<u>14,369,057,604</u>	<u>28,319,163,065</u>
Deficit during the year		<u>(817,090,946)</u>	<u>(16,602,399,891)</u>

The financial statements were authorised for issue by the Management Meeting on 23.09.2021 and were signed on its behalf by:-

Name: CPA Ramadhani Kihadala

Title: Ag. DFBD

Signature: 

Name: Dr. Edwin P. Mhede, Ph.D.

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**THE UNITED REPUBLIC OF TANZANIA
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DAR RAPID TRANSIT AGENCY**


CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE 2021

	<u>2020/2021</u>	<u>2019/2020</u>
	TZS	TZS
Cash flows from operating activities		
<i>Receipts (Note 26a)</i>		
Revenue from exchange transactions	3,698,352,657	4,290,770,090
Revenue from non exchange transactions	7,358,889,699	6,472,335,973
Other Revenue	-	-
Total Receipts	11,057,242,355	10,763,106,063
<i>Payments (Note 26b)</i>		
Wages, Salaries and Employee Benefits	(2,940,751,827)	(2,336,181,369)
Supplies and Consumables Used	(7,538,886,891)	(6,954,804,094)
Maintenance Expenses	(439,703,958)	(878,888,656)
Other Expenses	-	-
Total Payments	(10,919,342,675)	(10,169,874,119)
Net Cashflows From Operating Activities	137,899,679	593,231,944
 Cash flows from investing activities		
Acquisition of property, plant, and equipment & investment properties (Note 19)	(2,931,854,210)	(5,480,538,829)
Advance payment	-	-
Development grants received (Note 10)	-	186,248,630
Net cashflows from investing activities	(2,931,854,210)	(5,294,290,199)
 Cash flows from financing activities		
Development grants received	-	-
Net cash used in financing activities	-	-
 Net increase in cash and cash equivalents	(2,793,954,531)	(4,701,058,254)
Net foreign exchange difference	-	-
Cash and cash equivalents at beginning of period	6,687,222,269	11,388,280,523
 Cash and cash equivalents at end of period	3,893,267,738	6,687,222,269

The financial statements were authorised for issue by the Management Meeting on 23.09.2021 and were signed on its behalf by:

Name: CPA Ramadhani Kihadala

Title: A g DFBD

Signature: 

Name: Dr. Edwin P. Mhede, Ph.D.

Title: CE

Signature: 

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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2021

	Taxpayers Fund	Accumulated surplus/(deficit)	Total
At 01 July 2020	106,906,582,474	22,496,489,198	129,403,071,672
Prior year adjustments	-	-	-
Restated Balance	106,906,582,474	22,496,489,198	129,403,071,672
Additional Capital	-	-	-
Surplus/(deficit) for the year	-	(817,090,946)	(817,090,946)
At 30 June 2021	106,906,582,474	21,679,398,252	128,585,980,726
At 01 July 2019	106,906,582,474	39,051,389,146	145,957,971,620
Additional	-	47,499,943	47,499,943
Prior year adjustments	-	39,098,889,089	146,005,471,563
Restated Balance	106,906,582,474	-	-
Surplus/(deficit) for the year	-	(16,602,399,891)	(16,602,399,891)
Adjustments	-	-	-
At 30 June 2020	106,906,582,474	22,496,489,198	129,403,071,673

The financial statements were authorised for issue by the Management Meeting on 23.09.2021 and were signed on its behalf by:-

Name: CPA Ramadhani Kihadala

Title: Ag. DFBD

Signature: 

Name: Dr. Edwin P. Mhede, Ph.D.

Title: CE

Signature: 

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

	Original Budget	Reallocations/ Adjustments	Final Budget (B)	Actual Amount on Comparable Basis (A)	Different Final Budget & Actual (B-A)	Reasons
RECEIPTS						
Revenue from exchange transactions	4,745,104,171	498,708,700	5,243,812,871	3,698,352,657	1,545,460,214	(i)
Revenue from non exchange transactions	2,111,809,558	6,782,486,226	8,894,295,784	2,243,790,949	6,650,504,835	(ii)
Total Receipts	6,856,913,729	7,281,194,926	14,138,108,655	5,942,143,605	8,195,965,049	
PAYMENTS						
Maintenance Expenses	592,225,000	537,690,876	1,129,915,876	302,713,444	827,202,432	(iv)
Supplies and Consumables Used	3,094,000,000	175,321,413	3,269,321,413	2,560,778,655	708,542,758	(v)
Wages, Salaries and Employee Benefits	2,848,025,225	937,493,742	3,785,518,967	2,940,751,827	844,767,140	(vi)
Acquisition of Property, Plant and Equipment	322,663,504	5,630,688,895	5,953,352,399	2,931,854,210	3,021,498,189	(viii)
Total Payment	6,856,913,729	7,281,194,926	14,138,108,655	8,736,098,136	5,402,010,519	
Net Receipts/Payments	-	-	-	(2,793,954,531)	2,793,954,529	
Cash at the beginning				6,687,222,269		
Cash at the end				3,893,267,738		

*Reasons for change on comparison between the budget and actual are explained in the following page (Page no. 24)

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REASONS FOR CHANGE ON COMPARISON BETWEEN THE BUDGET AND ACTUAL**

The final budget of financial year 2020/21 was TZS 14,138,108,655 and the actual receipts amount was TZS 5,942,143,605. The actual fund received is less than the budgeted amount; this was significantly caused by the carryover funds from previous year that is included in the budgeted figure.

(i) Revenue from exchange transactions

The final budget for revenue from exchange transactions was TZS 5,243,812,871 and the actual amount collected was TZS 3,698,352,657. The difference was due to frequent closure of toilets, end of advertisement contract for advertisements and non-responsiveness of advertisement companies to reinvest in space leasing for advertisements.

(ii) Revenue from non-exchange transactions

The final budget for revenue from non-exchange transactions TZS 8,894,295,784 and the actual amount collected was TZS 2,243,790,949. The difference was caused by carry over funds from previous year.

(iii) Maintenance Expenses

In financial year 2020/21 budget for maintenance expenses were TZS 1,129,915,876 and the actual amount spent was TZS 302,713,444. The difference was due to the fact that amounts available for expenditures depends on the actual collections, since collections were not met as budgeted obviously the expenses were less than budgeted.

(iv) Wages, Salaries and Employment Benefits

The final budget for wages, salaries and Employee Benefits is TZS 3,269,321,413 and actual amount spent TZS 2,560,778,655. The difference was due to transfer of some employees from other government entities that occurred during the year.

(v) Supplies and Consumables Goods.

The final budget for supplies and Consumable Goods for financial year 2020/21 were TZS 3,785,518,967 and actual amount spent was TZS 2,940,751,827. The difference was caused by carry over funds from previous year.

(vi) Acquisition of Property, Plant and Equipment

The final budget for acquisition of property, plant and equipment was TZS 5,953,352,399 and actual amount spent was TZS 2,931,854,210. The difference was caused by carry over funds from previous year.

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DAR RAPID TRANSIT AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

1.0 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

1.1 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest shillings.

1.2 STATEMENT OF COMPLIANCE

The financial statements of the Agency have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of Accounting, and comply with the Public Finances Act, 2001 as amended in 2004, and Accounting Circular no. 6 on the preparation of financial statements and other financial reports and closure of the financial year 2020/21 issued by the Ministry of finance and Planning.

2.0 AUTHORISATION DATE

The Financial Statements of the Agency has been authorized on 23.09.2021

3.0 REPORTING ENTITY

The reporting entity is Dar Rapid Transit (DART) Agency which was established by GN No.120 of 25th May, 2007 under the Executive Agencies Act No. 30 of 1997 and its subsequent amendments.

4.0 GOVERNMENT BUSINESS ENTITIES

The Dar Rapid Transit (DART) Agency operates under the guidance of the President's Office, Regional Administration and Local Government (PO-RALG). The Agency was launched on 16th June, 2008.

5.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

5.1 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

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Notes (continued)

5.1.1 Revenue Recognition

Revenue comprises of the fair value of grants received from the government and other donors, fees charged on services rendered to the customers such as parking fees, access fees, levies and fees from permits on billboard and posters rentals.

Revenue is recognized as follows:

Parking Fees

Revenue is recognized when the cash is received from the customers for the usage of the Agency's parking lots in designated areas.

Access Fees:

Revenue is recognized for the usage of BRT infrastructures (BRT lanes, stations and terminals) by the bus operator

Permit and Billboard Fees

Revenue is recognized for the usage of BRT infrastructures (pedestrian's bridges, stations and terminals) by the advertising companies.

Fines and Penalties

For contractual customers, revenue is recognized when the customer fails to comply with the contract terms, however, for non-contractual parties, revenue is recognized when the cash is received.

Sanitary Charges

Revenue is recognized when the cash is received from the customers for the usage of toilet services.

Government Subvention:

Subvention comprises of funds received from Treasury to cater for Personal emoluments (PE)/employees' salaries and other operational costs. These are unconditional and therefore are recognized and credited to the statement of financial performance in the period in which they are received.

Grants:

Grants comprises of grants from Treasury and World Bank.

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(i) Grants from Treasury: These are issued to the Agency, the funds are released as per approved budget; the amounts are recognized when received.

(ii) Grants from World Bank: These are received from the World Bank and are recognized in the period in which they are received.

Amortization of Grants

The grants have been recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Therefore the revenue is amortized to the extent to which condition has been fulfilled.

5.1.2 Interest Income

Interest Income is an income from the interest earned on cash temporarily held in fixed deposits, call account deposits, or purchase of the treasury bill. The Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

5.1.3 Foreign Currency Translation

Functional and presentation of foreign currency

Items included in the financial statements of the Agency are measured using the currency of the primary economic environment in which the Agency operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS), which is the Agency's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into Tanzanian Shillings using the BOT exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

5.1.4 Property, Plant and Equipment

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

Recognition

The cost of an item of Property, Plant and Equipment is recognized as an asset if, and only if the asset is being controlled by the Agency; it is probable that future economic benefits or service

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potential associated with the item will flow to the Agency; and the cost of the item can be measured reliably.

Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized when asset is disposed; or when no future economic benefits or service potentials are expected from its use or disposal. Gains and losses on de-recognition of Property, Plant and Equipment is determined by reference to their carrying amount and is taken into account in determining operating profit.

Subsequent Measurement

Expenditure incurred to replace a component of item of Property, Plant and Equipment is accounted for separately and capitalized only when the amount is material, it is probable that future economic benefits or service potentials associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other expenditure items are recognized in the income statement as expenses during the financial period in which they are incurred.

Depreciation

DART uses straight-line method for depreciation of its Non-Current Assets. Depreciation is charged on prorate basis from the month of purchase. The annual rates of depreciation that have been consistently applied are as follows:

Description	Useful life (years)	Depreciation Rate (%)
Buildings	50	2
Infrastructural assets	100	1
Computers Desktop and Laptop	4	25
Printers	7	14
Furniture, fixtures & Equipment	5	20
Motor Vehicles (light duty)	5	20
Motor Cycles	7	14
Office Equipment's	5	20

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Notes (continued)

Impairment of Asset

Impairment loss occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Carrying amount is the amount at which an asset is recognized in the statement of financial position after deducting accumulated depreciation and accumulated impairment losses, while recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Impairment, therefore, reflects a decline in the utility of an asset to the entity that controls it. The asset is regarded as impaired as it is no longer capable of providing the entity with service potential – it has little, or no, utility for the entity in contributing to the achievement of its objectives.

The management assesses the impairment of its assets on annual basis and/or any time where there are indications for impairment of any of its assets to determine whether the assets are impaired or not.

5.1.5 Intangible Assets

Intangible assets are initially recorded at historical cost and accounting for intangible assets is based on its useful life. An intangible asset with finite useful life is amortized and an intangible asset with indefinite useful life is not. Maintenance of the intangible assets is charged to the income statement during the financial period in which they are incurred.

Amortization

The depreciable of intangible asset with a finite useful life shall be allocated using straight line basis at 33.3%. The amortization shall cease at the date that asset is derecognized. Amortization period and the amortization method for an intangible asset with finite useful life shall be reviewed at least at each reporting date if the expected useful life of the asset is different from the previous estimate.

Residual Value

An intangible asset with finite useful life residual value shall be assumed to be zero unless there is an active market for that asset.

5.1.6 Investments and other financial assets

Financial assets are classified at fair value as appropriate. When financial assets are recognized initially, they are measured at fair value.

The Agency determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

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Notes (continued)

5.1.7 Inventories

Inventories are valued at the lower of cost and net replacement cost. The cost for inventory is determined on First in First out basis.

5.2 Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. In the process of applying the Agency's accounting policies, management has made estimates, in the determination of the useful lives.

6.0 Disclosures

6.1 Contingent Liability

The Agency has two (2) pending cases. The Land case No. 1 of 2020 between Edes Mlingi (plaintiff) and Attorney General DART Agency, Ubungo municipal and PUMA energy (Defendants). The case was first mentioned on 09/06/2021, where PUMA prayer to be rejoined in the case was granted and the case was arranged to be mentioned again on 28/07/2021. The second case is Civil case no. 82 of 2020 between DART Agency, Attorney General versus Spark venture T limited. The case was scheduled for expert hearing on 10/06/2021. Plaintiff's case was closed after examination in chief to one witness. The case was then scheduled for mention on 13th July, 2021 at 10:00 am giving time for the plaintiff to file Final submission. However, the Agency did not set aside any fund as contingent because it is confident that the outcome of the cases will be in favors of the Agency.

6.2 Presentation of the Budget Information

The financial statements in conformity with IPSAS 24 requires management of a public sector entity to show comparison of budget amounts arising from execution of the budget to be included in the financial statements of the entity which are required to, or elect to, make publicly available their approved budget for which they are, therefore, held publicly accountable. The Agency prepares its financial statements clearly indicating the actual expenditure in comparison with the approved budgetary provisions and in so doing fully complies with this standard. The statement of comparison of budgeted and actual amounts has been presented using cash basis of accounting.

6.3 Preparation of Cash flow

DART Agency operates with the support from World Bank. Other operating expenditures according to MOU between DART and TANROADS are being paid through TANROADS

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Accounts and at the end of the financial year the Agency recognizes that expenditure by passing journal entries into respective expenditure category.

6.4 Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash at banks, in hand and short-term deposits. Cash and cash equivalents are the most liquid assets which are readily convertible into cash, such as Treasury bills, fixed deposits and deposit in call accounts. Cash equivalents are distinguished from other investments through their short-term existence; they mature within 3 months and an important condition which should be satisfied is that it should have insignificant risk of change in value.

6.5 Commitments for Acquisition of PPE

The Agency has a sum of TZS 2,698,834,685 that intends to compensate people in the acquisition of land in furthering more phases to the city.

6.6 Revenue classification

The Agency classifies its revenue into exchange and non-exchange transactions.

Exchange transactions

These are transactions in which the Agency receives assets or services, or has liabilities extinguished, and directly give approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue from exchange transactions for the Agency includes fees from permit on billboard and posters, Access Fees, sanitary levies, and parking fees.

Non-exchange transaction

In a non-exchange transaction, the Agency either receives value from another entity without directly receiving approximately equal value in exchange. Non-exchange transactions include amortization of grants from the government and donors and fines and penalties from performance deductions for underperformance of KPIs in TSP contract and penalties for delayed receipts from advertising companies. In the previous years, the fines and penalties were erroneously classified to exchange transactions but during the year management has reclassified the same to non-exchange transactions. During the year fines and penalties TZS 2,043,110,000 have been classified to revenue from non-exchange transactions.

6.7 Employment benefits

Employee's benefits include salaries, pensions and other related - employment costs. Employee's benefits are recognized on accrual basis and included in the payables at the end of the year. The Agency Employees are members of Public Social Security Funds (PSSF). The Employees

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contributes 5% of their basic salary to PSSF, and the employer contributes 15% of basic salary on behalf of all employees. The Agency also contributes to the National Health Insurance Fund (NHIF), whereby both the employer and employees contribute 3% of basic salary.

6.8 Related Party Transactions

The Agency related party as per standards comprises of Ministerial Advisory Board (MAB) and management members. The only related party transactions during the financial year ended 30th June 2021 was the remuneration availed to the Board members and key Management staff. During the year under review, the Board members and key Management Staff remuneration are summarized below:

	2020/2021 TZS	2019/2020 TZS
Ministerial Advisory Board		
Ministerial Advisory Board Allowances and Annual Directors Fees	-	-
	-	-
Emoluments to key Management Staff		
Salaries	432,480,000	432,480,000
Allowances	364,500,000	364,500,000
	796,980,000	796,980,000

6.7 Financial Risk Management

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the Agency's operations. This note presents information about the Agency's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Agency's management of capital. Further quantitative disclosures are included throughout these financial statements.

Credit Risk

Credit risk is the risk of financial loss to the Agency if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Agency's investments, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June was:

	2020/2021 TZS	2019/2020 TZS
Receivables	8,698,401,913	5,992,263,441
Cash and cash equivalent	3,893,267,738	6,687,222,267
	12,591,669,651	12,679,485,708

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6.7 Financial Risk Management (Continued)

Receivables

Receivables are mainly amounts owed by advertising companies from bill board permits and bus operator (UDART) from performance deductions.

Cash and Cash Equivalents

The Agency does not consider if there to be any significant exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk of the Agency not being able to meet its obligations as they fall due. The Agency's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Agency's reputation.

The Agency ensures that it maintains sufficient cash on demand balances to meet expected operating expenses through the use of cash flow forecasts.

The sources of fund include access fees, income from billboard permits, sanitary charges, levies from parking areas, government subsidies, foreign grants, and other miscellaneous income.

6.8 Provisions

Provisions are recognized when the Advisory Committee has a present legal or constructive obligation because of past events, when it is probable that an outflow of resources embodying economic benefits and/or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. However, the Agency has not made any provision during the year.

7.0 Assets Held For Sale

There were no assets that were classified as held for sale for the financial period ending 30th June 2021. However, after the year end in August 2021, the four motor vehicles with registration number STK 7323, STK 7324, STK 7325 and STK 7326 management has classified these vehicles as held for sale assets.

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Notes (continued)

8 REVENUE FROM EXCHANGE TRANSACTIONS	2020/2021	2019/2020
	TZS	TZS
Permits on billboards and posters	358,405,628	1,366,495,536
Access Fee	2,956,500,000	2,964,600,000
Parking Fee	266,478,200	232,310,500
Sanitary Charges	73,119,000	90,963,800
Sale of Tender Documents	-	13,600,000
Other Income	15,418,978	-
	3,669,921,806	4,667,969,836
9 REVENUE FROM NON EXCHANGE TRANSACTIONS	2020/2021	2019/2020
	TZS	TZS
Personnel Emoluments	1,433,467,444	1,139,924,707
Other charges	696,396,000	449,453,608
Development Grants Local	593,972,659	541,075,000
Revenue grant from other donors (WB)	5,115,098,749	4,094,845,790
Revenue Grants from TUMI	-	92,072,403
	7,838,934,852	6,317,371,508
Fines and penalties	2,043,110,000	731,421,830
	9,882,044,852	7,048,793,338
10 REVENUE FROM NON EXCHANGE TRANSACTIONS	2020/2021	2019/2020
	TZS	TZS
DIFFERED INCOME (RECCURENT GRANT)		
Balance at the beginning of the year	383,054,048	95,549,337
Received during the year		
Government Grant		
Personnel emoluments	1,433,467,444	1,139,924,707
Other charges	696,396,000	638,363,000
Development Grants	593,972,659	675,532,500
	2,723,836,103	2,453,820,207.00
Revenue grant from other donors (WB)	5,115,098,750	4,094,845,790
Revenue grant from other donors (UNEP)	172,500,000	
Revenue grant from other donors (UEMI)		56,210,222
Total grants received during the year	8,011,434,853	6,604,876,219
Total grants available	8,394,488,901	6,700,425,556
Amortisation for the year	7,838,934,852	6,317,371,508
Balance at the end of the year	555,554,049	383,054,048

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11 DEFERRED INCOME (CAPITAL GRANT)	2020/2021	2019/2020
	TZS	TZS
Cost		
At the beginning of the year	6,034,930,125	5,848,681,495
Additions		
Donor Grants (UEMI)	-	186,248,630
At the end of the year	6,034,930,1254	6,034,930,125
Accumulated amortization and impairment		
At the beginning of the year	5,848,681,495	5,848,681,495
Charge during the year	-	-
Accumulated amortization at the end of the year	5,848,681,495	5,848,681,495
Balance at the year end (Capital Differed Income)	186,248,630	186,248,630
12 WAGES, SALARIES AND EMPLOYEE BENEFITS	2020/2021	2019/2020
	TZS	TZS
Acting Allowance	-	10,904,800
Civil Servants	1,433,467,444	1,139,924,707
Civil Servants Contracts	385,387,636	111,467,350
Court Attire Allowance	2,000,000	2,500,000
Electricity	108,158,000	41,657,258
Extra -Duty	181,256,000	482,074,550
Field (Practical Allowance)	116,940,159	165,967,112
Food and Refreshment	197,689,000	25,433,000
Furniture	44,000,000	11,865,000
Honoraria	4,900,000	9,060,000
Housing allowance	635,180,000	48,462,500
Leave Travel	125,179,445	114,104,833
Moving Expenses	91,713,633	23,736,630
Operational Service Staff	-	1,457,375
Outfit Allowance	-	1,850,000
Responsibility Allowance	10,300,000	2,000,000
Sitting Allowance	67,978,841	90,926,100
Telephone	33,982,239	30,697,656
Medical and Dental Refunds	250,000	-
Staff debts	1,187,000	-
Water and Waste Disposal	118,582,528	-
	3,558,151,925	2,314,088,869

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13 SUPPLIES AND CONSUMABLES USED

	2020/2021	2019/2020
	TZS	TZS
Advertising and Publication	4,688,700	10,863,000
Agency fees	-	300,000
Air Travel Tickets	52,521,555	35,316,230
audit fees	40,000,000	49,777,000
audit supervision expenses	-	18,670,000
Bank Charges and Commissions	30,264,757	77,907,386
Books, Reference and Periodicals	-	800,000
Burial Expenses	12,000,000	-
Communication Network Services	204,830,860	134,044,437
Computer Supplies and Accessories	500,000	9,000,000
Conference Facilities	53,369,760	46,165,500
consultancy fees	4,535,354,939	2,689,899,702
Diesel	122,663,069	42,717,673
Educational Radio and TV broadcasting programming	13,050,000	30,815,000
Electricity	53,576,511	25,947,302
Entertainment	155,782,000	41,627,500
Food and Refreshments	244,480,048	181,522,450
Gifts and Prizes	4,100,000	-
Ground travel (bus, railway taxi, etc)	46,204,508	22,512,000
Internet and Email connections	14,703,128	13,216,682
Lodging/ Accommodation	36,480,950	250,000
Mapping Surveys	2,840,000	-
Newspapers and Magazines	8,109,592	22,832,744
Office Consumables (papers, pencils, pens and stationaries)	165,252,592	160,958,423
Outsourcing Costs (includes cleaning and security services)	1,339,160,360	1,238,825,031
Per Diem - Domestic	878,742,650	763,022,236
Per Diem - Foreign	16,344,353	106,364,194
Printing and Photocopy paper	-	549,587
Printing and Photocopying Costs	1,250,000	3,498,000
Protective Clothing, footwear and gears	1,298,500	425,000
Rent - Office Accommodation	-	267,110,977
Sewage Charges	-	16,639,000
Subscription Fees	9,392,500	580,000
Suppliers Debts	225,505,874	31,354,055
Telephone Charges (Land Lines)	-	16,693,529
Training Materials	-	1,097,900
Tuition Fees	83,266,500	128,681,710

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Uniforms and Ceremonial Dresses	6,707,200	2,400,000
Visa Application Fees	-	1,383,546
Research and Dissertation	3,900,000	-
Water Charges	43,888,797	27,615,213
Sewage Charges	21,020,000	-
Tapes, Films, and Materials (split)	2,000,000	-
	8,433,249,739	6,321,383,005
14 DEPRECIATION AND AMORTIZATION	2020/2021	2019/2020
	TZS	TZS
Depreciation of PPE	1,798,759,418	1,821,114,215
Amortization of Intangible	-	7,669,349
	1,798,759,418	1,828,783,564
15 MAINTENANCE EXPENSES	2020/2021	2019/2020
	TZS	TZS
Computers, printers, scanners, and other computer related equipment	7,579,400	-
Motor Vehicles and Water Craft	227,744,995	104,420,087
Outsource maintenance contract services	321,008,539	812,981,033
Tyres and Batteries	10,537,600	31,565,007
Small Tools and Implements	12,025,989	-
	578,896,523	948,966,127
16 CASH AND CASH EQUIVALENTS		
REVENUE COLLECTION CASH ACCOUNT (9925262051)	306,764,264	451,704,903
DART AGENCY-RECURRENT (2011200011)	-	106,000
DART AGENCY-ACCESS FEE (20110019595)	-	8,677,697
DART AGENCY-DEVELOPMENT (01J1097519000)	-	465,051,021
DART AGENCY-DEVELOPMENT (\$)	172,994,608	494,608
DART AGENCY EXPENDITURE ACCOUNT (9925265234)	3,413,508,866	5,761,188,037
	3,893,267,738	6,687,222,267
17 RECEIVABLES		
Revenue from exchange transactions (Note 24(a))	672,996,811	701,427,661
Revenue from non exchange transactions (Note 24(a))	7,966,816,443	5,271,161,289
Staff advances and imprest (Note 24(a))	58,588,659	19,674,490
	8,698,401,913	5,992,263,44
18 INVENTORIES	2020/2021	2019/2020
	TZS	TZS
Consumables	190,412,093	102,260,050
	190,412,093	102,260,050

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Notes (continued)

19. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Infrastructural assets-BRT Lanes	Boreholes	Motor vehicles	Furniture & Fittings	Computers & Accessories	Total
2020/2021	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost								
As at 01.07.2020	41,899,959,279	433,725,225	83,072,720,439	508,500	932,333,740	448,119,419	788,907,936	127,576,274,538
Adjustments			(3,070,200,000)	(508,500)		(197,051,514)	48,051,514	(3,219,708,500)
Additions	2,870,002,458	-	-	-	-	19,379,074	42,472,678	2,931,854,210
As at 30.06.2021	44,769,961,737	433,725,225	80,002,520,439	-	932,333,740	270,446,979	879,432,128	127,288,420,249
Depreciation								
As at 01.07.2020	-	30,533,900	8,947,893,010	508,500	399,713,841	248,557,055	258,908,435	9,886,114,741
Adjustments	-	-	(3,127,574,049)	(508,500)	-	(114,124,107)	(22,498,155)	(3,219,708,500)
Charge for the year	-	8,674,505	1,442,103,742	-	144,543,443	43,267,375	160,170,354	1,798,759,418
As at 30.06.2021	-	39,208,405	7,262,422,703	-	544,257,284	177,465,327	441,576,944	8,465,165,658
Carrying Value								
As at 30.06.2021	44,769,961,737	394,516,821	72,740,097,736	-	388,076,457	92,981,652	437,855,184	118,823,254,590

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20. INTANGIBLE ASSETS

Cost	Epicor Software		Wip (AFCS)		Website costs		Total	
	TZS		TZS		TZS		TZS	
As at 01.07.2020	23,003,442		-		-		23,003,442	
Additions	-		-		-		-	
As at 30.06.2021	23,003,442		-		-		23,003,442	
Depreciation								
As at 01.07.2020	23,003,442		-		-		15,334,094	
Charge for the year	-		-		-		7,669,348	
As at 30.06.2021	23,003,442		-		-		23,003,442	
Carrying Value								
As at 30.06.2021	-		-		-		-	
As at 30.06.2020	-		-		-		-	

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21. CAPITAL EXPENDITURE AND ITS FINANCING

2020/21

No	Source of fund	Category of asset	Balance c/f	Actual revenue received	Total capital receipt	Actual expenditure	%age completion	Balance b/f
1	Donar Funds	Tri-cycle	186,248,650	-	186,248,650	-	-	-
2	Government Grant	Land	5,630,688,895	-	5,630,688,895	2,870,002,458	51	2,760,686,437
	Sub Total (A)		5,816,937,545	-	5,816,937,545	2,870,002,458	51	186,248,630
3	Own Source	Computers & Accessories	-	42,472,678	42,472,678	42,472,678	100	2,946,935,067
	Own Source	Furn & Fittings	-	19,379,074	19,379,079	19,379,079	100	-
	Subtotal (B)		-	61,851,752	61,851,757	61,851,757	-	-
	Total (A+B)		5,816,937,545	61,851,752	5,878,789,282	2,931,854,215	49	2,946,935,067

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22 PAYABLES	2020/2021	2019/2020
	TZS	TZS
Supplies and Consumables Used	1,449,695,256	428,266,236
Maintenance Expenses	209,270,035	70,077,470
Staff Claims	618,587,598	1,187,500
	2,277,552,888	499,531,206
23 RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) during the year		8,614,988,510
Add: Items not involving movement of cash		
Depreciation		1,798,759,418
		608,998,679
Movement in Working Capital items		
Increase in Receivables	(2,706,138,472)	
Increase in Inventories	(88,152,003)	
Decrease in Payables	1,778,021,682	
Increase in Deferred Revenue	172,500,001	
Net Cash flow from operating activities		(843,768,791)
		137,899,679

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24. Aging analysis

(a) Receivables and Staff Imprest

SN	CATEGORIES	TOTAL (TZS)	Less than or equal to 365 days	More than 365 days
Revenue from Exchange Transactions				
1	UDART-Access Fee	24,300,000	24,300,000	-
2	A1 Outdoor	149,219,507	59,313,331	89,906,176
3	Spark Venture	155,737,298	-	155,737,298
4	Alliance Media (T) Ltd	342,626,806	299,092,299	43,534,507
5	Cash Collectors	1,113,200	1,113,200	-
	SUB TOTAL	672,996,811	383,818,830	289,177,981
Revenue from Non Exchange Transactions				
1	UDART-Performance deductions	6,211,080,626	2,041,500,000	4,169,580,626
2	China Tanzania Urafiki Textile	263,810,000	-	263,810,000
3	DDC	84,909,330	-	84,909,330
5	TEMEKEMUNICIPAL COUNCIL	152,396,959	-	152,396,959
6	TANROADS	1,254,619,528	1,234,403,453	20,216,075
	SUB TOTAL	7,966,816,443	3,275,903,453	4,690,912,990
	Others			
1	Imprest	58,588,659	58,588,659	-
	SUB TOTAL	58,588,659	58,588,659	-
	GRAND TOTAL	8,698,401,913	3,718,310,942	4,980,090,971

(a) Creditors

SN	CATEGORIES	TOTAL (TZS)	Less than or equal to 365 days	More than 365 days
1	Supplies and Consumables Used	1,449,695,256	1,449,695,256	-
2	Maintenance Expenses	209,270,035	209,270,035	-
3	Wages, Salaries and Employees Benefits	618,587,598	618,587,598	-
	GRAND TOTAL	2,277,552,888	2,277,552,888	-

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25. IMPAIRMENT LOSS (GAIN)

	2020/2021	2019/2020
(a) Jangwani depot		
Cost at acquisition	-	20,120,000,000
Less: Accumulated depreciation	-	3,219,200,000
Carrying Value	-	16,900,800,000
Less: Cost of replacement/Recoverable Service Amount	-	-
Impairment Loss/(Gain)	-	16,900,800,000
(b) Borehole		
Cost at acquisition	-	5,650,000
Less: Accumulated depreciation	-	508,500
Carrying Value	-	5,141,500
Less: Cost of replacement	-	-
Impairment Loss/(Gain)	-	5,141,500
Total Impairment Loss/(Gain)	-	16,905,941,500

26. Notes to cash flows

(a) Receipts

	Exchange Transactions	Non Exchange Transactions	TOTAL
Statement of Financial Performance	3,669,921,806	9,882,044,852	13,551,966,658
Less: amortization for the year (Note 10)	-	(7,838,934,852)	(7,838,934,852)
Less increase in debtors		(2,695,655,154)	(2,695,655,154)
Add: decrease in debtors	28,430,850		28,430,850
	3,698,352,657	(652,545,154)	3,045,807,502
Add: Recurrent Differed Revenue (Note 10)	-	8,011,434,853	8,011,434,853
Statement of Cash flows	3,698,352,657	7,358,889,699	11,057,242,355

(b) Payments

	Wages, Salaries and employee benefits	Supplies and Consumables	Maintenance Expenses	TOTAL
Statement of Financial Performance	3,558,151,925	8,433,249,739	578,896,523	12,570,298,186
Less increase in creditors	(617,400,098)	(1,021,429,020)	(139,192,565)	(1,778,021,683)
	2,940,751,827	7,411,820,719	439,703,958	10,792,276,503
Add increase in imprest		38,914,169		38,914,169
Add increase in inventories	-	88,152,043	-	88,152,003
Statement of Cash flows	2,940,751,827	7,538,886,891	439,703,958	10,919,342,675