



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON
THE AUDIT OF FINANCIAL STATEMENTS OF DAR ES SALAAM
RAPID TRANSIT AGENCY (DART) FOR THE FINANCIAL YEAR
ENDED 30TH JUNE, 2020**

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March, 2021

AR/DART/ 2019/20

Mandate

The statutory mandate and responsibilities of the Controller and Auditor General are provided for under Article 143 of the Constitution of the URT of 1977 (as amended from time to time) and in Section 10 (1) of the Public Audit Act, 2008.

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core values

In providing quality services National Audit Office is guided by the following Core Values:

Objectivity	We are an impartial organization, offering services to our clients in an objective and unbiased manner.
Excellence	We are professionals providing high quality audit services based on standards and best practices.
Integrity	We observe and maintain high standards of ethical behaviour, rule of law and strong sense of purpose.
People focus	We value, respect and recognize interest of our stakeholders.
Innovation	We are a learning and creative public institution that promotes value added ideas within and outside the institution.
Results Oriented	We are an organization that focuses on achievement based on performance targets.
Team work spirit	We work together as a team, interact professionally, and share knowledge, ideas and experiences.

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 Dar Rapid Transit Agency (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

AR	Audit Report
CAG	Controller and Auditor General
DART	Dar Rapid Transit Agency
IESBA	International Ethics Standards Board for Accountants
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
NAO	National Audit Office
PAA	Public Audit Act No.11 of 2008
URT	United Republic of Tanzania

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive Officer,
Dar es Salaam 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 es Salaam Rapid Transit Agency (DART), which comprises the statement of financial position as at 30th June, 2020, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Dar es Salaam Rapid Transport Agency as at 30th June, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 2001 (Revised 2004).

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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter(s)

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

Note 26 to the financial statements indicates that DART conducted impairment assessment on one of its Non-current assets-Jangwani depot in the year under review. Among the identified impairment indicators were prolonged non-usage of the depot following frequent flooding of Jangwani area and desilting costs associated with the floods .As at 30th June 2020 the original cost of Jangwani depot stood at TZS 20,120,000,000 with carrying amount of TZS 16,900,800,000. Following impairment

assessment the impairment loss established amounted to TZS 16,900,800,000 and therefore the asset's carrying amount was brought down to zero.

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 Chief Executive 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 our 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, Section 10 (2) of the Public Audit Act, 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 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 Act, No.7 of 2011 (as amended in 2016)

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that except the matter discussed below, Dar Rapid Transit Agency (DART), procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011(as amended in 2016) and its underlying Regulations of 2013 (as amended in 2016).

Procurement Plan not in Line with Approved Annual Budget for the Agency

TZS 54,740,000,000

Reg. 69 (7) of the PPR, 2013 states that, "A procuring entity shall draw up procurement plans for those requirements for which sufficient funds have been included in the approved budget in the current financial year or if payment will be due in subsequent financial year, such payment have been budgeted for."

My review noted that, DART agency planned to implement eight (8) tenders worth TZS 54,740,000,000 which were not included in the approved annual budget, of which a'm on the view that such weakness could result into unplanned expenditure and may affect implementation of planned activities.



Charles E. Kichere
Controller and Auditor General
Dodoma, United Republic of Tanzania
31st March, 2021



2.0 FINANCIAL STATEMENTS

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DAR RAPID TRANSIT AGENCY**

GENERAL INFORMATION AS AT 30 JUNE, 2020

The Dar Rapid Transit (DART) Agency is one among of the institutions 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 Establishment Order issued through Government Notice Number 120 of 25th May 2007 made under the Executive Agencies Act Number 30 of 1997. The agency is mandated to perform the following functions, establish and operate Bus Rapid Transit (BRT) system in the city of Dar es Salaam, ensure orderly flow of traffic on urban streets and roads; and ensure effective management of the Agency. DART Services were inaugurated on 25th January 2017.

PRINCIPAL PLACE OF BUSINESS

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Website: www.dart.go.tz

LAWYER

Attorney General's Office
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DODOMA - TANZANIA.

BANKERS

Bank of Tanzania
Mirambo Street
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P.O. Box 2939
DAR ES SALAAM - TANZANIA

CRDB Bank PLC,
Azikiwe Premier Branch, B.W. Mkapa
Towers-Azikiwe Street
P. O. Box 9531,
DAR ES SALAAM - TANZANIA.

AUDITORS

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GENERAL INFORMATION AS AT 30 JUNE, 2020 (CONTINUED)

MANAGEMENT TEAM

The management Team of the Agency constitutes the Chief Executive, four Directors, and four Managers who are:

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

MINISTERIAL ADVISORY BOARD

The Agency Heading by the Ministerial Advisory Board (MAB), however their time has expired and the new MAB members are yet to be appointed.

AUDIT COMMITTEE MEMBERS

The Committee is responsible for reviewing and guiding financial matters and Audit issues especially on value for money and good governance. The Audit Committee Team comprises of the following team members:-

NAME	DESIGNATION	STATUS
Eng. Mohamed A. Ntunda	Head of Monitoring and support-TANROADS - HQ DSM	Chair person
Mr. William V. Gatambi	Public Relations Manager- DART	Member
Eng. Amin N. Mcharo	Assist. IAG-MOFP	Member
Eng. Fanueli Kalugendo	System Planning & Design Manager	Secretary
Mrs. Renata C. Ndege	Chief Finance Officer-TANESCO HQ	Member

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DAR RAPID TRANSIT AGENCY

Abbreviations

DART	Dar Rapid Transit
RFQ	Request for Qualification
RFP	Request for Proposal
ROW	Right of Way
TANROADS	Tanzania Roads Agency
SUMATRA	Surface and Marine Transport Regulatory Authority
LATRA	Land Transport Regulatory Authority
PPP	Public-private partnership
BRT	Bus Rapid Transit
NSSF	National Social Security Fund
PSPF	Public Service Pension Fund
PPF	Parastatal Pension Fund
LAPP	Local Authority Pension Fund
GEPF	General Employees Pension Fund
GIZ	German International Corporation
DARMAERT	Dar es Salaam Multi-Agency Emergency Response Team
eGA	e-Government Authority
PMO-RALG	Prime Minister's Office, Regional Administration and Local Government
PO-RALG	President's Office, Regional Administration and Local Government
IPSAS	International Public Sector Accounting Standards
ISP	Interim Service Provider
TSP	Transitional Service Provider
KPI	Key Performance Indicator
BOT	Bank of Tanzania
TMA	Tanzania Meteorological Authority
UEMI	Urban Electrical Mobility Initiative

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STATEMENT BY THE CHIEF EXECUTIVE

The financial Statements for the 2019/2020 fiscal year present the physical and financial status on implementation of activities during the year, the future plans and challenges that the Agency faced during implementation. During the period of reporting, the Agency tackled various issues to achieve its objectives. Almost seven years of preparations and development of Bus Rapid Transit (BRT) infrastructure, the DART Agency managed to start bus operations services along DART System Phase I corridor which is characterized by a modern, efficient and affordable transport for residents of the city of Dar es salaam. Provision of an Interim Service (ISP) which started on 10th May, 2016 was commissioned to UDA Rapid Transit (UDA-RT) 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 in January 2020 advertised Request for Qualification (RFQ) for Bus Operator under International competitive tender arrangement. The procurement process is ongoing and the RFP will be issued after approval of a short list. The Government is developing its own AFCS and it is expected to be completed by November 2021. The Bus Operator is expected to be procured by June 2021. The procurement process of Fund Manager has already been completed and CRDB Bank will be the Fund Manager under full operations arrangement. The contract for Fund Manager will be effective on attainment of full operations

The activities under review were financed by the Government of Tanzania, World Bank, GIZ and Urban Electrical Mobility Initiative (UEMI) of German. Other sources of income accrued from access fee, advertisement, parking and toilets along the BRT corridor. There is an increase on grants from the Government from TZS 1,651,662,227 in the year 2018/2019 to TZS 2,453,820,207 in 2019/2020 of which TZS 1,139,924,707 were for Personal Emoluments while TZS 638,363,000 were for other charges and TZS 675,532,500 was for development expenditure. The increase is due to development funds received for development of Automated Fare Collection System. Moreover, the World Bank grants have increased from TZS 3,691,171,135 in year 2018/2019 to TZS 4,094,845,790 in the year 2019/2020. The increase of grants from the World Bank is due to increase of activities performed by the Agency during the year. The Agency in the year 2018/2019 received the grant of TZS 103,957,979 from GIZ but in the year 2019/2020, the Agency has not received any grant from GIZ. The Agency in the year 2019/2020 also received a grant of TZS 242,458,852 (TZS 56,210,222 for recurrent expenditure and TZS 186,248,630 for capital expenditure) from UEMI for the electrical Bajaj project.

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We appreciate the financial support from the Government of Tanzania, Government of German and the World Bank. We also recognize support from government institutions such as TANROADS, LATRA, eGA, Treasurer Registrar and all other stakeholders for their support and team work spirit. I believe that our joint efforts will continue to enable smooth and efficient operations of DART project in the City which can reduce poverty, improve living standard and lead to sustainable economic growth. Good performance of the project can also act as a pioneer of private and public investment partnership in the transport sector in the city.

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 orderly flow of traffic on urban streets and roads around the city with ultimate aim of increasing comfort and quality of life and urban development.

Ronald M. Lwakatare

Eng. Ronald M. Lwakatare

CHIEF EXECUTIVE

DATE: 20/01/2021

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MANAGEMENT REPORT OF THE AGENCY

1. INTRODUCTION

The Dar Rapid Transit (DART) Agency was established by GN No.120 of 25th May, 2007 under the Executive Agencies Act No. 30 of 1997 and its subsequent amendments. The Agency operates under the guidance of the President's Office, Regional Administration and Local Government (PO-RALG). The Agency was officially launched on 16th June, 2008 and aims at achieving the following objectives:

- (i) Establishing and operating a Bus Rapid Transit (BRT) system for Dar es Salaam;
- (ii) Ensuring 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.
- (xiii) The DART Agency Management has the pleasure in submitting the financial statements of the Agency for the year ended 30 June, 2020.

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.

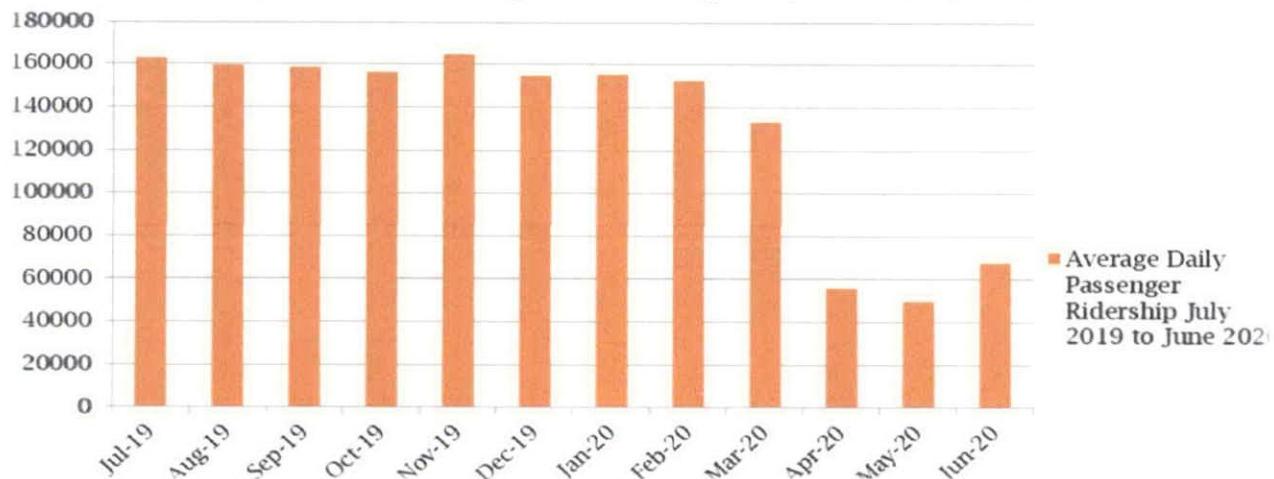
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MANAGEMENT REPORT OF THE AGENCY (CONTINUED)

Achievements during the year

During the Financial Year 2019/20 the following were the main activities that were carried out:

- (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 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 at DART system. There has been fairly steady average passenger ridership from July 2019 to February 2020. However, there is a reduction of average daily passengers ridership from March 2020 to May 2020 due to level seating directives from the government and the private vehicles licencing to offer public transport as the measures taken in the fight of Corona Virus of 2019 (COVID-19) outbreak. But, later the average daily passenger ridership started to improve from June 2020 onwards, after removal of such measures.

Average Daily Passenger Ridership July 2019 to June 2020



(iii) Inventory of infrastructure.

In order to inform the Agency on the maintenance needs, the Agency has updated an inventory of all infrastructures falling under the jurisdiction of the

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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, roof coverings, gutters, steel columns, water downpipes, toilets, furniture, fittings, finishing, ITC/AFCS systems, directional signage, generators, pedestrian bridges, and security lights. The information contained therein will form 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: The Agency received all the compensation funds for Phase II from the Government amounting to TZS 34,199,451,962 by the end October, 2018. Phase 2 has the total of 104 project affected persons (PAPs) whereby up to the end of the Financial Year 2019/2020, a total of 90 PAPs have been paid the total compensation amount of TZS: 28,568,763,067 while 14 PAPs remain unpaid the total amount of TZS: 5,630,688,895. Among those 14 unpaid PAPs, some of them had land disputes which have been resolved while others are Government Institutions which the Government declared that they should not be paid compensation through this arrangement. The arrangement for payments of PAP which had land disputes is underway. The PAPs have been compensated at Mbagala site for the Terminal and Depot, Mtoni Kijichi, Mtoni kwa 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 on July, 2019. To date, all PAPs have been compensated. The PAPs have been compensated at Gongo 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 DART infrastructure by petty traders, vehicles and motor cycles.

The invasion of petty traders to DART infrastructure causes different problems such as uncleanliness at the stations and terminals and the corridor at large. Also, the invasion of vehicles and motor cycles causes the threat of increased

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accidents at the 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.

(ii) 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 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. The number of cashiers was increased to reduce congestion at the stations.

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

(iii) Flooding at Msimbazi valley

Flooding at Msimbazi valley affect the Jangwani depot and blocked the normal flow of vehicles. However, cleaning of infrastructures (depot and bus ways) which started in June, 2018 to date together with frequent desilting of Msimbazi river as one of the short term solution, has not been successful. As a result, the designed functions of the depot are totally closed hence affecting the total bus operation system. Moreover, the surrounding areas are also facing similar situation to the extent that all other social activities which were formally being conducted such as both political and religious congregations, play grounds, car packing and all other similar activities are currently totally stopped. In that regard, has caused a tremendously decrease in use value of the depot site.

However, in insuring that bus operations are not affected, the Management is closely following up the ongoing Hydrological study, detailed engineering design and feasible option for safeguarding the depot which is being done by

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TANROADS through Consultant; M/S CDR International B.V in association with M/S Deltares and M/S Wema Consultants.

(iv) 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 Defense 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 given the Kilitex area which is also at Gongo la mboto as an alternative site for construction of phase 3 BRT depot.

2.2 FUTURE PLAN

2.2.1 DART System Phase II

The BRT phase II that is presently in construction is expected to be completed in May 2022. 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 are planned to be executed for a period of 3 years to be completed on 5th May, 2022.

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

The Lot 2: Building Works of DART Phase II 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 are planned to be executed for a period of 2 years to be completed on 31st July, 2021.

The Phase II BRT corridor is designed to be along Kilwa Road (from the City centre to Mbagala area) including Sokoine Avenue, (from Zanaki Street to Gerezani round about), Gerezani Street (from Gerezani round about to Nyerere-Msimbazi junction), Bandari Street (from Gerezani round about to Benderatatu), Chang'ombe Road (from Jitegemee round about to Nyerere-Kawawa junction)

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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 Feeder Stations at Chang'ombe/DUCE, Mtoni kwa Azizi Ally, Mtoni Kijichi (Misheni) and Zakhem.

The BRT phase II system is similar to BRT Phase I 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 3 and 4; and the Improvement of BRT Phase 1.

For Phase 3, the initial infrastructure designs were undertaken by the Consultant; 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 then procured through TANROADS to undertake design review and supervision of works. This assignment has been completed with the final reports submitted and approved.

Phase 3 infrastructure include 23.6km of 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.

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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; 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.

The same Consultant; Kunhwa Engineering & Consulting Co., Ltd was procured to undertake the feasibility study and detailed engineering design of 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.

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 respecively.

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 2018/19 AND 2019/20.

The following is the Summary of actual funds received during Financial 2018/19 & 2019/20

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S/N	Sources of fund	Amount (TZS) 2019/20	%	Amount (TZS) 2018/19	%
1.	Recurrent PE	1,139,924,707	10%	1,069,591,237	3%
2.	Recurrent OC	638,363,000	6%	582,070,990	1%
3.	Revenue Grants - WB	3,962,305,544	36%	4,189,529,645	10%
4.	Grants from UEMI	242,458,852	2%	0	0%
5.	Revenue Grants-GIZ	0	0%	103,957,979	0%
6.	Development Grant (Government)	0	0%	29,470,822,255	73%
7.	Other Government Recurrent Grant	675,532,500	6%	0	0%
8.	Own Source	4,290,770,090	39%	4,704,059,965	12%
	TOTAL	10,949,354,693	100	40,120,032,071	100

The following is the Summary of actual funds spent during Financial 2018/19 & 2019/2020

S/N	Sources of fund	Amount (TZS) 2019/20	%	Amount (TZS) 2018/19	%
1.	Recurrent PE	1,139,924,707	8%	1,651,662,227	4%
	Recurrent OC	449,453,608	3%		0%
2.	Revenue Grants - WB	3,962,305,544	26%	4,189,529,645	10%
3.	Revenue Grants - GIZ	92,072,403	1%	8,408,642	0%
4.	Development Funds Gvt	5,480,538,829	36%	30,015,408,511	75%
5.	Other Government Recurrent Grant	481,885,020	0%	0	0%
6.	Own Source	4,044,232,837	27%	4,415,381,195	11%
	TOTAL	15,650,412,948	100	40,280,390,220	100

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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 relation between employees and management for the year 2019/20. All major decisions affecting employees were discussed in the management meetings. To allow employees unity, mobilization and togetherness at work place the Management of DART Agency have entered into a contract to form workers' council, after meeting all the required qualification which includes having workers association where by TUGHE branch is formed with more than 20 members.

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 has been facilitated to attend short courses in various areas which have enhanced them with required 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 2020.

**1.1.1 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR
ENDED 30 JUNE 2020**

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 Statement, 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.

Lwakatare

Eng. Ronald M. Lwakatare
CHIEF EXECUTIVE OFFICER
DATE: 20/01/2021

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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, SUZANA STEVEN CHAULA being the Head of Finance and Business Development of DART Agency hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus 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: **Director of Finance and Business Development**

NBAA Membership No. GA 5404

Date: 20/01/2021

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FINANCIAL REPORT (CONTINUED)

**1.3 COMMENTARY ON THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2020**

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 2020.

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

1.3.2.2 Cash and Cash Equivalent

Cash and Cash Equivalent as at 30th June 2020 is TZS 6,687,222,267. This fund comprises of own source, other charges and development funds for payment of land compensation and electrical Bajaj project.

1.3.2.3 Receivables and Inventories

Receivables as at 30th June 2020 were TZS 5,992,263,441, whereas in the previous year there were receivables amounting to 4,751,101,620 (restated). The increase in receivables was caused by increase in performance deductions charged to service provider for underperformance as per TSP contract and also the government directives to all government entities that received compensation for land acquisition to return the amounts compensated. Inventories during the year amounted to 102,260,050 where as in the previous year was TZS 52,866,109. The increase was due to the fact the Agency bought in bulky inventories at the period close to the year end.

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1.3.2.4 Property, plant and Equipment (PPE)

The total carrying amount of PPE as at 30th June 2020 was TZS 117,642,659,854 as compared to TZS 130,889,176,738 for the financial year ended 30th June 2019. The decrease was due to transfer of infrastructural assets (BRT lanes and Polls) that belong to TANROADS and vehicle with registration number STK 7720 TOYOTA LANDCRUISER SW GX that was transferred to PO-RALG.

1.3.2.5 Intangible assets

There is no value for intangible assets for the year 2019/20 due to the fact that intangible assets have been fully amortized during the year, while for financial year 2018/19 was TZS 7,669,348.

1.3.2.6 Payables

During the year ended 30th June, 2020 payables were TZS 499,531,206 and for financial year 2018/19 payables was TZS 1,035,573,380. The decrease was due to the fact that the Agency paid its long outstanding liabilities to its suppliers.

1.3.2.7 Deferred Income

During the year 2019/20 Recurrent Deferred Income was TZS 383,054,048 and Capital Deferred Income was TZS 186,248,630 where as in the previous year, Recurrent Deferred Income of TZS 95,549,337 only. The increase was due to funds received from UEMI of German specifically for electrical Bajaj project which its implementation is not yet started.

1.3.2.8 Net asset/ Equity

The financial year ended 30th June 2020 DART has the total of net asset of TZS 129,355,571,730 while for the previous year was 145,957,971,620. The decrease was due to the retrospective effect of corrections made on depreciation estimates as per government circular no. 6 of 2017/2018 and the decision of the management to review the useful life of some of the non-current assets that had zero carrying value.

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1.3.3 FINANCIAL PERFORMANCE

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 and monies from sale of tender documents. The financial year ended 30th June, 2020 shows that DART earned revenue of TZS. 4,667,969,836 compared to TZS 4,729,010,724 collected in the financial year 2018/19. The decrease was caused by frequent closure of toilets as part of infrastructural maintenance during the year 2019/2020 and end of advertisement contract between the DART and Spark Venture in April 2020.

1.3.3.2 Revenue from Non Exchange Transaction

In financial year 2019/20 non exchange revenue was TZS 7,048,793,338 and for financial year 2018/19 was TZS 36,817,784,836. The decrease was caused by the fact that during the year 2019/20 no funds have been received from the Government for acquisition of land as compared to previous year.

1.3.3.3 Grants Amortization for the year

In the financial year 2019/20 grants amortization was TZS 6,317,371,508 while for financial year 2018/19 was TZS 5,247,284,025 the decrease is mainly due to expenditure of funds received from the government for development of the AFCS system, which was not in previous year. Grants amortization involves the monies that have been incurred during the year that relates to grants received from government and other donors. The amortized grants for the year 2019/20 include TZS 1,139,924,707 for personnel emoluments, TZS 449,453,608 for other charges, TZS 541,075,000 for the development of AFCS, TZS 4,094,845,790 from World Bank, and TZS 92,072,403 from GIZ (TUMI) for development of an application called city navigator that is intended to help commuters plan their travel.

1.3.3.4 Wages, salaries and Employment Benefits

In financial year 2019/20 wages and salaries were TZS 2,314,088,869 and for financial year 2018/19 was TZS 2,469,403,566. The decrease is due to transfer of some employees to other government entities that occurred during the year.

1.3.3.5 Supplies and Consumable goods

In financial year 2019/20 supplies and consumable goods were TZS 6,321,383,005 and for financial year 2018/19 was TZS 6,668,276,067. The

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decrease was due to the continuous decision of the management to spend only on value for money expenditures with the intention of cutting down costs of the Agency.

1.3.3.6 Depreciation and amortization

During the year DART charged TZS 1,828,783,564 as Depreciation and amortization from Non-Current assets, the previous year depreciation was TZS 4,234,942,321. The decrease was caused by correction of depreciation estimates as per government circular no. 6 of 2018/19 and the management decision to review useful life of some of non-current assets that had zero carrying value. Also, the decrease is due to the transfer of infrastructural assets (BRT lanes and Polls) to TANROADS and vehicle with registration number STK 7720 TOYOTA LANDCRUISER SW GX that was transferred to PO-RALG.

1.3.3.7 Maintenance Expenses

In financial year 2019/20 maintenance expenses was TZS 948,966,127 and for financial year 2018/19 was TZS 777,378,273. The decrease was due to decrease of maintenance cases during the year compared to previous year.

1.3.3.8 Impairment Loss

In financial year 2019/20 there is impairment loss of TZS 16,905,941,500. During the year 2019/20 the management assessed the impairment of both Jangwani depot at Jangwani area and Bore holes at Kivukoni terminal. Jangwani depot is currently facing frequently inaccessibility due to environmental and climatical changes that cause abundantly silt and mud brought by over flooding over the area. The designed functions of the depot are totally distorted hence affecting the total bus operation system, thus the potential utility of this area had declined significantly. Similarly, the potential utility of bore hole at Kivukoni has declined due to high content of salt in water that causes destruction and damages of such bore hole. Thus, the management has sought that it is important to assess the impairment of the depot and bore holes.

The management assigned the qualified valuer from Ilala Municipal Council to undertake the assessment and provide report that is approved by the Government Chief Valuer. The report shows there is zero current value for both Jangwani depot and Bore holes at Kivukoni Terminal. However, the carrying value for Jangwani Depot and Bore holes are TZS 16,900,800,000 and TZS 5,141,500 respectively higher than the assessed values, therefore, these assets are impaired and the impairment loss is TZS 16,905,941,500 (Note 26)

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1.3.3.9 Surplus/ (Deficit) for the year

In financial year 2019/20 there is a deficit of TZS 16,602,399,891 while in the previous year there was a restated surplus of TZS 27,396,795,333. The decrease of surplus for the year 2019/20 is mainly caused by non-receiving of funds for land acquisition for the year 2019/20, unlike the previous year.

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).

Revwakatare

Eng. Ronald M.Lwakatare
CHIEF EXECUTIVE OFFICER
DATE: 20/01/2021

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	NOTES	2019/2020 TZS	Restated 2018/2019 TZS
ASSETS			
Current assets			
Cash and cash equivalents	17	6,687,222,267	11,388,280,523
Receivables	18	5,992,263,441	4,751,101,620
Inventories	19	102,260,050	52,866,109
		12,781,745,758	16,192,248,252
Non-current assets			
Property, plant and equipment	20	117,642,659,854	130,889,176,738
Intangible assets	21	-	7,669,348
		117,642,659,854	130,896,846,086
TOTAL ASSETS		130,424,405,612	147,089,094,338
LIABILITIES			
Current liabilities			
Payables	23	499,531,206	1,035,573,380
Deferred income	10	383,054,048	95,549,337
		882,585,254	1,131,122,717
Non-current liabilities			
Deferred income	11	186,248,630	-
		186,248,630	-
TOTAL LIABILITIES		1,068,833,884	1,131,122,717
NET ASSETS		129,355,571,730	145,957,971,620
Financed by:			
Taxpayer's Fund		106,906,582,474	106,906,582,474
Accumulated Surplus		22,448,989,256	39,051,389,146
TOTAL NET ASSETS		129,355,571,730	145,957,971,620

The financial statements were authorised for issue by the Management Meeting on 24.09.2020 and were signed on its behalf by:-

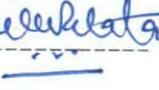
Name: CPA SUZANA CHAULA

Title: DFBD

Signature: 

Name: Eng. RONALD M. LWAKATARE

Title: CE

Signature: 

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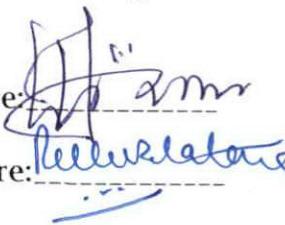
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

REVENUE	NOTES	2019/2020	Restated
			2018/2019
		TZS	TZS
Revenue from exchange transactions	8	4,667,969,836	4,729,010,724
Revenue from non-exchange transactions	9	7,048,793,338	36,817,784,836
		<u>11,716,763,174</u>	<u>41,546,795,560</u>
EXPENSES			
Wages, salaries and employee benefits	12	2,314,088,869	2,469,403,566
Supplies and consumables	13	6,321,383,005	6,668,276,067
Depreciation and amortization	14	1,828,783,564	4,234,942,321
Maintenance Expenses	15	948,966,127	777,378,273
Impairment Loss	26	<u>16,905,941,500</u>	<u>-</u>
		<u>28,319,163,065</u>	<u>14,150,000,227</u>
Surplus/(deficit) during the year		<u>(16,602,399,891)</u>	<u>27,396,795,333</u>

The financial statements were authorised for issue by the Management Meeting on 24.09.2020 and were signed on its behalf by:-

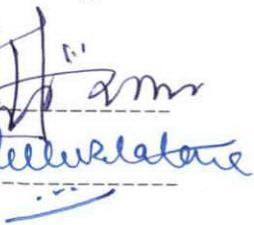
Name: CPA SUZANA CHAULA

Title: DFBD

Signature: 

Name: Eng. RONALD M. LWAKATARE

Title: CE

Signature: 

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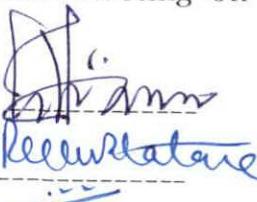
CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2019/2020	2018/2019
	TZS	TZS
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts (Note 27a)		
Revenue from exchange transactions	4,290,770,090	4,912,464,614
Revenue from non-exchange transactions	6,472,335,973	5,020,498,981
Total Receipts	10,763,106,063	9,935,563,595
Payments (Note 27b)		
Wages, Salaries and Employee Benefits	(2,336,181,369)	(3,126,792,591)
Supplies and Consumables Used	(6,954,804,094)	(2,619,610,417)
Maintenance Expenses	(878,888,656)	(1,526,818,101)
Other Expenses	-	(2,098,075,874)
Total Payments	(10,169,874,119)	(9,371,296,984)
Net Cash flows From Operating Activities	593,231,944	564,266,611
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant, and equipment & investment properties (Note 20)	(5,480,538,829)	(30,693,805,525)
Development grants received (Note 22)	186,248,630	29,969,180,765
Net cash flows from investing activities	(5,294,290,199)	(724,624,760)
CASH FLOWS FROM FINANCING ACTIVITIES		
Development grants received	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	(4,701,058,256)	(160,358,148)
Cash and cash equivalents at beginning of period	11,388,280,523	11,548,638,671
Cash and cash equivalents at end of period	6,687,222,267	11,388,280,523

The financial statements were authorised for issue by the Management Meeting on 24.09.2020 and were signed on its behalf by:

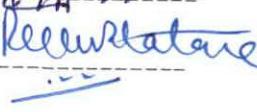
Name: CPA SUZANA CHAULA

Title: DFBD

Signature: 

Name: Eng. RONALD M. LWAKATARE

Title: CE

Signature: 

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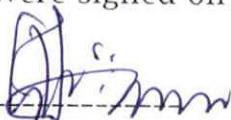
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Taxpayers Fund	Accumulated surplus/(deficit)	Total
At 01 July 2019 (Restated Balance)	106,906,582,474	39,051,389,146	145,957,971,620
Surplus/(deficit) for the year	-	(16,602,399,891)	(16,602,399,891)
At 30 June 2020	106,906,582,474	22,448,989,256	129,355,571,730
At 01 July 2018	106,906,582,474	6,733,719,074	113,640,301,548
Additional Receipts for acquisition of land arrears	29,470,822,255	-	29,470,822,255
Surplus/(deficit) for the year	-	27,396,795,333	27,396,795,333
Prior year adjustments	(29,470,822,255)	4,920,874,739	(24,549,947,516)
Restated Balance At 30 June 2019	106,906,582,474	39,051,389,146	145,957,971,620

The financial statements were authorised for issue by the Management Meeting on 24.09.2020 and were signed on its behalf by:-

Name: CPA SUZANA CHAULA

Title: DFBD

Signature: 

Name: Eng. RONALD M. LWAKATARE

Title: CE

Signature: 

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Original Budget	Reallocations/ Adjustments	Final Budget (B)	Actual Amount on Comparison Basis (A)	Different Final Budget & Actual (B-A)	Reasons for Change
RECEIPTS						
Revenue from exchange transactions	4,770,269,196	76,820,507	4,847,089,703	4,290,770,090	556,319,613	(i)
Revenue from non-exchange transactions	4,206,848,558	12,229,451,368	16,436,299,926	6,658,584,603	9,777,715,323	(ii)
Total Receipts	8,977,117,754	12,306,271,875	21,283,389,629	10,949,354,693	10,334,034,936	
PAYMENTS						
Maintenance Expenses	1,076,263,158	334,150,681	1,410,413,839	878,888,656	531,525,183	(iii)
Supplies and Consumables Used	3,215,120,418	4,246,949,389	7,462,069,807	6,954,804,094	507,265,713	(iv)
Wages, Salaries and Employee Benefits	2,685,734,178	427,695,450	3,113,429,628	2,336,181,369	777,248,259	(v)
Acquisition of Property, Plant and Equipment	2,000,000,000	7,297,476,354	9,297,476,354	5,480,538,829	3,816,937,525	(vi)
Total Payment	8,977,117,754	12,306,271,875	21,283,389,629	15,650,412,948	5,632,976,681	
Net Receipts/Payments	-	-	-	(4,701,058,256)	4,701,058,256	
Cash at the beginning of 2019/2020					11,388,280,523	
Cash at the end of 2019/2020					6,687,222,267	

*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 2019/20 was TZS 21,283,389,629 and the actual receipts amount was TZS 10,949,354,693. The actual fund received is less than the budgeted amount; this is 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 4,847,089,703 and the actual amount collected was TZS 4,290,770,090. The difference was due to frequently closure of toilets, end of advertisement contract for Spark Venture Company and non-payment of some advertisement companies due to COVID-19 outbreak.

(ii) Revenue from non-exchange transactions

The final budget for revenue from non-exchange transactions TZS 16,436,299,926 and the actual amount collected was TZS 6,658,584,602. The difference was caused by carry over funds from previous year.

(iii) Maintenance Expenses

In financial year 2019/20 budget for maintenance expenses were TZS, 1,410,413,839 and the actual amount spent was TZS 878,888,656. The difference was due to the fact that amounts available for expenditures depends on the actual collections, since collection were not met as budgeted obvious the expenses will be less than budgeted.

(iv) Wages, salaries and Employment Benefits

The final budget for wages, salaries and Employee Benefits is TZS 3,113,429,628 and actual amount spent TZS 2,336,181,369. The difference was due to transfer of some of employees to other government entities that occurred during the year.

(v) Supplies and Consumables Goods.

The final budget for supplies and Consumable Goods for financial year 2019/20 were TZS 7,462,069,807 and actual amount spent was TZS 6,954,804,094. The difference was due to the fact that amounts available for expenditures depends on the actual collections, since collection were not met as budgeted obvious the expenses will be less than budgeted.

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(vi) **Acquisition of Property, Plant and Equipment**

The final budget for acquisition of property, plant and equipment was TZS 9,297,476,354 and actual amount spent was TZS 5,480,538,829. The difference was caused by the fact that land owners were not compensated because of pending court cases and the fund for electrical Bajaj project has not yet spent.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2019/20 issued by Ministry of finance and Planning.

2.0 AUTHORISATION DATE

The Financial Statements of the Agency has been authorized on 24.09.2020

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 officially 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 fee

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

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economic benefits or service 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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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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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 three pending cases. The first one is Land Case No. 22 of 2019 between Edis Mlingi (plaintif) and The Agency (respondent) which is pending in the High Court, the second case is Land Case No. 458 of 2017 between Athuman Mbelwa Moshiwa (plaintiff) versus DART Agency (respondent) which is pending in the High Court and the third is case No. 01 of 2019 between Maxcom Africa (plaintif) DART Agency (respondent). However, the third case has been withdrawn by the court on fourth August 2019, where the court ruled in favor of the Agency. On the other two cases, 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

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through TANROADS 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. 5,630,688,895 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 731,421,830 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

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payables at the end of the year. The Agency Employees are members of Public Social Security Funds (PSSF). The Employees 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 2020 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:

	2019/2020 TZS	2018/2019 TZS
Ministerial Advisory Board		
Ministerial Advisory Board Allowances and Annual Directors Fees	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
		28,160,000
		28,160,000
Emoluments to key Management Staff		
Salaries	432,480,000	601,920,000
Allowances	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	364,500,000	948,960,000
	796,980,000	1,550,880,000

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:

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	2019/2020	2018/2019
	TZS	TZS
Receivables	5,992,263,441	4,751,101,620
Cash and cash equivalent	6,687,222,267	11,388,280,523
	<u>12,679,485,708</u>	<u>16,139,382,143</u>

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 it's available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Agency's reputation.

The Agency ensures that it maintain 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.

6.9 Review of Assets with zero carrying values

The management has reviewed the useful life of some of its non-current assets that had zero carrying values in the books but still used in daily operations. These assets include computers of TZS 198,729,671 equipment of TZS 32,575,694 furniture of TZS 83,639,294 and motor vehicles of TZS 100,634,659. Thus, rates used to depreciate these assets are different from those shown under depreciation policy of the Agency (page 29).

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7.0 Prior Period Adjustments and reclassifications

For the following material prior-period reclassifications and adjustments, where there is an impact relating to 2018/19, the 2018/19 comparative figures at the individual line item were restated, as summarized in the tables after the following explanations;

The adjustment of TZS 29,470,822,255 is the rectification of balance for tax payers fund and restatement of understated revenue in prior year whereas, fund received for land acquisition was erroneously posted to tax payers fund. Thus, the adjustment has debited the tax payers fund and credited revenue with the same amount as the matter of rectification and proper presentation.

The adjustment in amount of TZS 4,920,874,739 reflected to Accumulated Surplus is the effect of number of adjustments as summarized below,

- 7.1 Receivables was credited by TZS 207,954,651 and same amount debited the Accumulated Surplus being the net effect of the following;
 - 7.1.1 Overstatement of receivables from billboard permits include TZS 348,941,016, TZS 80,405,281 and TZS 104,331,705 for Alliance Media (T) Limited, A1 Outdoor and Spark Venture came after management recalculations of penalties of delayed payments to align the advertisement contracts after the former calculations erroneously including VAT portion in penalties.
 - 7.1.2 Recognition of refunds of TZS 246,717,193 from other government entities that DART is to be refunded from earlier paid compensations for land acquisition after government directives of refunds to DART.
 - 7.1.3 Recognition of receivables TZS 56,627,085 for Urafiki Textile that was previously amortized from leased land, however, the lease arrangement has been withdrawn and the money paid will be refunded to DART, thus the adjustment restate the original amount paid.
 - 7.1.4 Recognition of receivable amount of TZS 22,379,073 paid to NMB as bond for tax exemption that was previously expensed in anticipation of tax payment but later the Agency.
- 7.2 TZS 4,554,255,355 was debited to accumulated depreciation and credited to Accumulated Surplus, whereas TZS 4,394,847,057 was overstatement of depreciation charged in previous years which came after management decision for correction of its depreciation estimates in the compliance of depreciation estimates as per issued government circular no.2 of 2017/2018 "testing for impairment and charging depreciation" and TZS 159,408,298

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reflects the adjustment to assets after management decision to review the useful life of some of non-current assets which was having zero carrying values while they were still in use

- 7.3 Recognition of motor vehicles, furniture and equipment costing TZS 450,509,418 and TZS 162,529,758 respectively which were previously handed over to DART from TANROADS without any value, not included in fixed asset register. Currently, management has given value these assets and include in its register.
- 7.4 Removal of assets of TZS 38,465,143 which is a net of TZS 40,884,120 and TZS 2,418,977, cost and accumulated depreciation of infrastructural assets (BRT lane and polls) respectively that was previously recorded in error in DART asset register, however these assets belongs to TANROADS
- 7.5 Salary arrears TZS 23,280,000 was reclassified from a liability of employee benefits to payables to reflect the payables of employees.
- 7.6 Fines and penalties TZS 1,601,320,046 was reclassified from Revenue from exchange transactions to Revenue from non exchange transactions in the compliance of IPSAS 23 "Revenue from non exchange transactions"
- 7.7 Sitting and special allowance of TZS 154,654,431 was reclassified from Supplies and consumables used to Wages, salaries and employee benefits in the compliance of GFS codes exists in new government accounting system, Mfumo wa Ulipaji Serikalini (MUSE).
- 7.8 Expenses for computers, motor vehicles, outsource maintenance contract services, and tyres and batteries both in the amount of TZS 777,378,273 was reclassified from Supplies and consumables used to Maintenance Expenses in the compliance of GFS codes exists in new government accounting system, (MUSE).
- 7.9 Bank charges of TZS 23,632,076 was reclassified from finance costs to Supplies and consumables used Expenses in the compliance of GFS codes exists in new government accounting system (MUSE).
- 7.10 TZS 908,400,628 was credited to Supplies and consumables used to reflect the effect of above reclassifications. Implying the reduction of TZS 154,654,431 and 777,378,273 for Wages, salaries and employee benefits and Maintenance Expenses respectively, and addition of TZS 23,632,076 from finance costs.

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There is an impact on the overall financial position, financial performance, and statement of changes in net assets as a result of the reclassifications and adjustments described above as indicated below,

(i) Adjusted Statement of Financial Position as at 30 June 2020

	As previously reported 2018/2019	Pri period reclassification /Adjustments	As restated 2018/2019
	TZS		TZS
ASSETS			
Current assets			
Cash and cash equivalents	11,388,280,523	-	11,388,280,523
Receivables	4,959,056,269	(207,954,649)	4,751,101,620
Inventories	52,866,109	-	52,866,109
	16,400,202,901	(207,954,649)	16,192,248,252
Non-current assets			
Property, plant and equipment	125,760,347,350	5,128,829,388	130,889,176,738
Intangible assets	7,669,348	-	7,669,348
	125,768,016,698	5,128,829,388	130,896,846,086
TOTAL ASSETS	142,168,219,599	4,920,874,739	147,089,094,338
LIABILITIES			
Current liabilities			
Payables	1,012,293,380	23,280,000	1,035,573,380
Employee benefits	23,280,000	(23,280,000)	-
Deferred income (Grant)	95,549,337	-	95,549,337
	1,131,122,717	-	1,131,122,717
Non-current liabilities			
Deferred income (Grant)	-	-	-
	-	-	-
	-	-	-
TOTAL LIABILITIES	1,131,122,717	-	1,131,122,717
NET ASSETS	141,037,096,880	4,920,874,739	145,957,971,619
Financed by			
Taxpayers Fund	136,377,404,729	-	136,377,404,729
Accumulated Surplus	4,659,692,151	4,920,874,739	9,580,566,890
TOTAL NET ASSETS	141,037,096,880	4,920,874,739	145,957,971,619

Notes (continued)

(ii) Adjusted Financial Performance Statement for the Year Ended 30 June 2020

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	As previously reported	Pri period reclassification /Adjustments	As restated		
			2018/2019	TZS	2018/2019
Revenue					
Revenue from exchange transactions	6,330,330,770	(1,601,320,046)	4,729,010,724		
Revenue from non exchange transactions	5,745,642,535	31,072,142,301	36,817,784,836		
	12,075,973,305	29,470,822,255	41,546,795,560		
Expenses					
Wages, salaries and employee benefits	2,314,749,135	154,654,431	2,469,403,566		
Supplies and consumables used	7,576,676,695	(908,400,628)	6,668,276,067		
Depreciation and amortization	4,234,942,321	-	4,234,942,321		
Maintenance Expenses	-	777,378,273	777,378,273		
Finance Cost	23,632,076	(23,632,076)	-		
	14,150,000,227	(0)	14,150,000,227		
Surplus/(deficit) during the year	(2,074,026,922)	29,470,822,255	27,396,795,333		

(iii) Adjusted Statement of Changes in Equity as at 30 June 2020

	As previously reported	Prior period reclassification/Adjustments	As restated
Accumulated Surplus	4,659,692,151	4,920,874,739	9,580,566,890

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		2019/2020 TZS	Restated
			2018/2019 TZS
8	REVENUE FROM EXCHANGE TRANSACTIONS		
	Permits on billboards and posters	1,366,495,536	1,468,716,324
	Access Fee	2,964,600,000	2,956,500,000
	Parking Fee	232,310,500	174,896,600
	Sanitary Charges	90,963,800	126,297,800
	Sale of Tender Documents	13,600,000	2,600,000
		4,667,969,836	4,729,010,724
9	REVENUE FROM NON-EXCHANGE TRANSACTIONS		
	Grants Amortisation for the year		
	Personnel emoluments	1,139,924,707	1,069,591,237
	Other charges	449,453,608	582,070,990
	Development Grants	-	29,470,822,255
	Other Government Recurrent Grant	541,075,000	-
	Revenue grant from World Bank	4,094,845,790	4,093,980,308
	Revenue grant from GIZ (TUMI)	92,072,403	-
	Total grant amortized for the year	6,317,371,508	35,216,464,790
	Add: Fines and penalties	731,421,830	1,601,320,046
		7,048,793,338	36,817,784,836
10	DEFERRED INCOME		
	DEFERRED INCOME (RECURRENT GRANT)		
	Balance at the beginning of the year	95,549,337	1,052,942,839
	Reclassification of prior year recurrent grant to capital grant	-	(1,052,942,839)
	Received during the year		
	Government Grant		
	Personnel emoluments	1,139,924,707	1,069,591,237
	Other charges	638,363,000	582,070,990
	Revenue Grants from Government	675,532,500	-
		2,453,820,207	1,651,662,227
	Revenue grant from other donors-WB	4,094,845,790	3,691,171,135
	Revenue grant from other donors- UEMI	56,210,222	-
	Total grants received during the year	6,604,876,219	5,342,833,362
	Total grants available	6,700,425,556	5,342,833,362
	Grants Amortisation for the year	6,317,371,508	5,247,284,025
	Balance at the year-end (Deferred income)	383,054,048	95,549,337

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Notes (continued)

11. DEFERRED INCOME (CAPITAL GRANT)

Cost			
At the beginning of the year	5,848,681,495	111,203,962,619	
Reclassification of prior year capital grant from recurrent grant	-	1,052,942,839	
Adjustment for opening balance	-	(106,906,582,203)	
Additions			
Capital Grant - UEMI	186,248,630	498,358,510	
Derecognition of BRT Bus Lane	-	-	
At the end of the year	6,034,930,125	5,848,681,495	
Accumulated amortization			
At the beginning of the year	5,848,681,495	8,664,762,180	
Amortization overestimated in previous years	-	(3,314,439,195)	
Adjusted Balance			
Charge during the year	-	5,350,322,985	
Acc. amortization at the end of the year	5,848,681,495	498,358,510	
Balance at the year end	186,248,630	5,848,681,495	

12 WAGES, SALARIES AND EMPLOYEE BENEFITS

	2019/2020	Restated 2018/2019
	TZS	TZS
Acting Allowance	10,904,800	6,656,259
Civil Servants	1,139,924,707	1,062,369,600
Civil Servants Contracts	121,253,220	93,531,785
Court Attire Allowance	2,500,000	2,500,000
Electricity	41,657,258	36,610,000
Extra-Duty	482,074,550	598,400,000
Field (Practical Allowance)	165,967,112	191,762,200
Food and Refreshment	25,433,000	-
Furniture	11,865,000	35,074,700
Honoraria	9,060,000	31,400,000
Housing allowance	48,462,500	83,778,000
Leave Travel	114,104,833	74,594,600
Moving Expenses	23,736,630	11,347,000
Operational Service Staff	1,457,375	-
Outfit Allowance	1,850,000	3,300,000
Professional Allowances	-	2,300,000
Responsibility Allowance	2,000,000	-
Sewage Charges	-	17,100,000
Sitting Allowance	90,926,100	113,951,172
Special Allowance	30,697,656	62,710,000
Telephone	2,314,088,869	42,018,251
		2,469,403,566

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13 SUPPLIES AND CONSUMABLES USED

	2019/2020 TZS	Restated 2018/2019 TZS
Advertising and Publication	10,863,000	167,837,720
Agency Fee	300,000	-
Air Travel Tickets	35,316,230	38,115,780
Audit fees	49,777,000	47,177,000
Audit supervision expenses	18,670,000	-
Bank Charges and Commissions	77,907,386	141,072,273
Books, Reference and Periodicals	800,000	-
Burial Expenses	-	10,000,000
Communication Network Services	134,044,437	950,000
Computer Supplies and Accessories	9,000,000	43,154,000
Conference Facilities	46,165,500	2,437,210,998
Consultancy fees	2,689,899,702	192,891,358
Diesel	142,717,673	-
Educational Radio and TV broadcasting programming	30,815,000	155,756,807
Electricity	25,947,301	-
Entertainment	-	10,216,680
Food and Refreshments	181,522,450	115,612,120
Gifts and Prizes	67,555,242	1,775,000
Ground travel (bus, railway taxi, etc)	-	25,110,156
Health Insurance	22,512,000	4,000,000
Internet and Email connections	-	23,683,099
Lodging/Accommodation	13,216,682	-
Mapping Surveys	250,000	540,000
Newspapers and Magazines	-	15,436,400
Office Consumables (papers, pencils, pens and stationaries)	22,832,744	332,883,420
Outsourcing Costs (includes cleaning and security services)	1,238,825,031	1,617,863,742
Per Diem - Domestic	763,022,236	551,074,329
Per Diem - Foreign	106,364,194	129,868,519
Printing and Photocopy paper	549,587	7,799,084
Printing and Photocopying Costs	3,498,000	-
Protective Clothing, footwear and gears	425,000	3,600,000
Rent - Office Accommodation	267,110,977	312,724,494
Sewage Charges	16,639,000	29,608,026
Subscription Fees	580,000	8,313,136
Suppliers Debts	31,354,055	-
Telephone Charges (Land Lines)	16,693,529	52,940,671
Training Materials	1,097,900	-
Tuition Fees	128,681,710	95,406,189
Uniforms and Ceremonial Dresses	2,400,000	15,906,741
Upkeep Allowances	-	2,100,000
Visa Application Fees	1,383,546	2,549,782
Water Charges	27,615,213	75,098,543
	6,321,383,005	6,668,276,067

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Notes (continued)

14 DEPRECIATION AND AMORTIZATION

	2019/2020	2018/2019
	TZS	TZS
Depreciation of PPE	1,821,114,215	4,227,275,274
Amortization of Intangible	7,669,348	7,667,047
	1,828,783,564	4,234,942,321

15 MAINTENANCE EXPENSES

	2019/2020	Restated 2018/2019
	TZS	TZS
Computers, printers, scanners, and other computer related equipment	-	12,358,535
Motor Vehicles and Water Craft	104,420,087	8,278,151
Outsource maintenance contract services	812,981,033	532,433,666
Tyres and Batteries	31,565,007	224,307,921
	948,966,127	777,378,273

16 FINANCE COSTS

	2019/2020	2018/2019
	TZS	TZS
Bank Charges and other bank expenses	-	-

17 CASH AND CASH EQUIVALENTS

	2019/2020	2018/2019
	TZS	TZS
BOT Revenue Account	451,704,903	522,161,949
BOT Expenditure Account	5,761,188,037	-
NMB Revenue Account	106,000	8,648,900
NMB Expenditure Account	8,677,697	68,171,607
CRDB TZS	465,051,021	10,693,748,730
CRDB USD	494,608	95,549,337
	6,687,222,267	11,388,280,523

18 RECEIVABLES

	2019/2020	Restated 2018/2019
	TZS	TZS
Receivables	5,972,588,951	4,749,100,970
Staff Imprest	19,674,490	2,000,650
	5,992,263,441	4,751,101,620

19 INVENTORIES

	2019/2020	2018/2019
	TZS	TZS
Consumables	102,260,050	52,866,109
	102,260,050	52,760,544

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Notes (continued)

20. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Infrastructural assets-BRT Lanes	Boreholes	Motor vehicles	Furniture & Fittings	Computers & Accessories	Total
2019/2020	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost								
As at 01.07.2019	36,478,610,430	430,486,125	99,972,010,039	5,650,000	1,003,209,660	440,248,819	742,338,056	139,072,553,128
Additions	5,421,348,849	3,239,100	1,510,400	-	-	7,870,600	46,569,880	5,480,538,829
Transfers	-	-	-	-	(70,875,919)	-	-	(70,875,919)
Impairment Loss	-	-	(16,900,800,000)	(5,141,500)	-	-	-	(16,905,941,500)
As at 30.06.2020	41,899,959,279	433,725,225	83,072,720,439	508,500	932,333,741	448,119,419	788,907,936	127,576,274,538
Depreciation								
As at 01.07.2019	-	21,859,395	7,515,745,258	508,500	312,924,870	181,926,492	150,411,874	8,183,376,390
Charge for the year	-	8,674,505	1,432,147,752	-	157,664,890	66,630,563	155,996,50	1,821,114,215
Transfers	-	-	-	-	(70,875,919)	-	-	(70,875,919)
As at 30.06.2020	-	30,533,900	8,947,893,011	-	399,713,841	248,557,056	306,408,378	9,933,614,686
Carrying Value								
As at 30.06.2020	41,899,959,279	403,191,326	74,124,827,427	-	532,619,900	199,562,363	482,499,558	117,642,659,854

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PROPERTY, PLANT AND EQUIPMENT (continued)

2018/2019	Land	Buildings	Infrastructural assets-BRT Lanes	Boreholes	Motor vehicles	Furniture & Fittings	Computers & Accessories	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	
Cost								
As at 01.07.2018	6,463,201,919	430,486,125	100,012,894,159	5,650,000	359,256,277	277,719,061	312,210,006	107,806,592,547
Additions	30,015,408,511	-	-	-	193,443,964	54,825,000	430,128.050	30,693,805,525
Transfers	-	-	-	-	-	-	-	-
Erroneously omitted					450,509,418	162,529,758		613,039,176
Transfers			(40,884,120)					(40,884,120)
As at 30.06.2019	36,478,610,430	430,486,125	99,972,010,039	5,650,000	1,003,209,660	440,248,819	742,338,056	139,072,553,128
Depreciation								
As at 01.07.2018	-	40,869,088	12,001,977,107	282,500	211,691,744	119,566,051	138,904,722	8,512,775,448
Adjustments		(36,229,138)	(4,483,812,872)		16,611,321	35,959,160	(86,783,825)	(4,554,255,355)
Charge for the year	-	17,219,445	4,000,515,766	226,000	84,621,805	26,401,281	98,290,977	4,227,275,274
Transfers			(2,418,977)					(2,418,977)
As at 30.06.2019	-	21,859,395	7,515,745,258	508,500	312,924,870	181,926,492	150,411,874	8,183,376,390
Carrying Value								
As at 30.06.2019	36,478,610,430	408,626,730	92,456,264,780	5,141,500	690,284,790	258,322,326	591,926,182	130,889,176,738

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Notes (continued)

21. INTANGIBLE ASSETS

	Epicor Software	Wip (AFCS)	Website costs	Total
	TZS	TZS	TZS	TZS
Cost				
As at 01.07.2019	23,003,442	-	-	23,003,442
Additions				
As at 30.06.2020	23,003,442	-	-	23,003,442
Depreciation				
As at 01.07.2019	15,334,094	-	-	15,334,094
Charge for the year	7,669,348	-	-	7,669,348
As at 30.06.2020	23,003,442	-	-	23,003,442
Carrying Value				
As at 30.06.2020				
As at 30.06.2019	7,669,348	-	-	7,669,348

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22. CAPITAL EXPENDITURE AND ITS FINANCING

2019/2020

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	-	-	186,248,650
2	Government Grant	Land	11,052,037,744	-	11,052,037,744	5,421,348,849	49	5,630,688,895
	Sub Total (A)		11,052,037,744	186,248,650	11,238,286,394	5,421,348,849	49	5,816,937,545
3	Own Source	Cameras		46,569,880	46,569,880	46,569,880	100	-
	Own Source	Building		3,239,100	3,239,100	3,239,100	100	-
	Own Source	Furn & Fittings		7,870,600	7,870,600	7,870,600	100	-
	Subtotal (B)		-	57,679,580	57,679,580	57,679,580	100	-
	Total (A+B)		11,052,037,744	243,928,210	11,295,965,954	5,479,028,429	49	5,816,937,545

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23. PAYABLES

	2019/2020 TZS	2018/2019 TZS
Supplies and Consumables	428,266,236	1,012,293,380
Maintenance Expenses	70,077,470	-
Staff Claims		
- Salary Arrears	-	23,280,000
- Annual leave	1,187,500	-
	499,531,206	1,035,573,380

24. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES

Cash flow from operating activities		
Net Surplus	(16,602,399,891)	
Add: Items not involving movement of cash		
Deprecation	1,821,114,215	
Amortization of intangibles	7,669,348	
Impairment loss	<u>16,905,941,500</u>	2,132,325,173
 Movement in Working capital items:		
Increase in Receivables	(1,241,161,822)	
Increase in Inventories	(49,393,941)	
Decrease in Payables	(536,042,374)	
Increase in Deferred Income	<u>287,504,709</u>	<u>(1,539,093,229)</u>
 Net cash flow from operating activities		<u>593,231,944</u>

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25. Aging analysis

(a) Receivables and Imprest

SN	CATEGORIES	TOTAL (TZS)	Less than or equal to 365 days	More than 365 days
	Receivables			
1	UDART-Performance deductions	4,169,580,626	713,230,000	3,456,350,626
2	UDART-Access fee	24,300,000	24,300,000	0
3	A1 Outdoor	109,906,176	91,917,161	17,989,015
4	Spark Venture	155,737,298	47,539,432	108,197,866
5	Alliance Media (T) Ltd	398,789,732	398,789,732	0
6	Cash Collectors	816,600	816,600	0
7	TANROADS	560,674,399	560,674,399	0
8	China Tanzania Urafiki Textile	271,810,000	0	271,810,000
9	DDC	84,909,330	0	84,909,330
10	NHC	9,410,902	0	9,410,902
11	TEMEKE MUNICIPAL COUNCIL	152,396,959	0	152,396,959
12	NMB	22,379,073	0	22,379,073
13	WASTE WATER SOLUTIONS	11,877,855	11,877,855	0
	SUB TOTAL	5,972,588,950	1,849,145,179	4,123,443,771
	Imprest/advances			
1	Staff Imprest	19,674,490	19,674,490	0
	SUB TOTAL	19,674,490	19,674,490	0
	GRAND TOTAL	5,992,263,440	1,868,819,669	4,123,443,771

(b) Payables

SN	CATEGORIES	TOTAL (TZS)	Less than or equal to 365 days	More than 365 days
1	Supplies and Consumables Used	428,266,236	428,266,236	-
2	Maintenance Expenses	70,077,470	70,077,470	-
3	Wages, Salaries and Employees Benefits	1,187,500	1,187,500	-
	GRAND TOTAL	499,531,206	499,531,206	-

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26. IMPAIRMENT LOSS

(a) Jangwani Depot	2019/2020
	TZS
Cost at acquisition	20,120,000,000
Less: Accumulated depreciation	3,219,200,000
Carrying amount	16,900,800,000
Less: Cost of replacement	0
Impairment loss	16,900,800,000

(b) Bore Holes	2019/2020
	TZS
Cost at acquisition	5,650,000
Less: Accumulated depreciation	508,500
Carrying amount	5,141,500
Less: Cost of replacement	0
Impairment loss	5,141,500

Total Impairment loss (a) + (b)	16,905,941,500
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27. Notes to cash flows

(a) Receipts

Receipts	Exchange transactions	Non exchange transactions	Total
Statement of Financial Performance	4,667,969,836	7,048,793,338	11,716,763,174
Less amortization for the year (Note 10)	-	6,317,371,508	6,317,371,508
Less Increase in receivables	377,199,746	863,962,076	1,241,161,821
	4,290,770,090	(132,540,246)	4,158,229,843
Add Recurrent deferred revenue (Note 10)	-	6,604,876,219	6,604,876,219
Cash flow Statement	4,290,770,090	6,472,335,973	10,763,106,063

(b) Payments

Expenses	Wages, salaries and employee benefits	Supplies and consumables	Maintenance Expenses	Total
Statement of Financial Performance	2,314,088,869	6,321,383,005	948,966,127	9,584,438,001
Add Decrease in creditors	22,092,500	584,027,144	0	606,119,644
Less Increase in Creditors	-	-	70,077,470	70,077,470
Add Increase in Inventories	-	49,393,941	-	49,393,941
Cash flow Statement	2,336,181,369	6,954,804,094	878,888,657	10,169,874,117