REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

NATIONAL WATER FUND (NWF)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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March 2025

AR/ CG/ TR192/NWF/2023/24

About the National Audit Office

Mandate

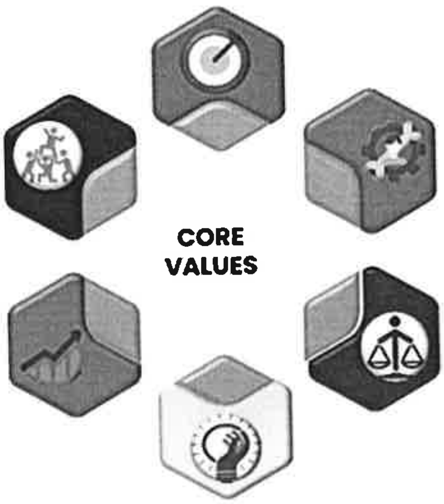
The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap. 418.

NAOT Vision, Mission & Motto

01 Vision
To be a credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

02 Mission
To provide high-quality audit services through the modernisation of functions that enhance accountability and transparency in the management of public resources.

03 Motto
Modernising External Audit for Stronger Public Confidence



Independence and objectivity
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit
We value and work together with internal and external stakeholders.

Results-Oriented
We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.

Professional competence
We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity
We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation
We encourage, create, and innovate value-adding ideas for the improvement of audit services.

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ABBREVIATIONS

AR	Audit Report
ATCL	Air Tanzania Corporation Limited
BWO	Basin Water Officer
CAG	Controller and Auditor General
CEO	Chief Executive Officer
CG	Central Government
CPA	Certified Public Accountant
DFA	Director of Finance and Account
FY	Financial Year
HIV	Human Immunodeficiency Virus
HPMU	Head of Procurement Management Unit
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
NBAA	National Board of Accountants and Auditors
NWF	National Water Fund
PPA	Property Procurement Act
RUWASA	Rural Water Supply and Sanitation Agency
TZS	Tanzania Shillings
WSDP	Water Sector Development Programme
WSSA	Water Supply and Sanitation Authority
URT	United Republic of Tanzania

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board of Directors,
National Water Fund,
Salmin -Tambukareli street,
P.O. Box 2204,
DODOMA, TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the National Water Fund (NWF), which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, the statement of changes in net assets, the 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 the National Water Fund (NWF) as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of the National Water Fund (NWF) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Report by those charged with governance, statement of management responsibility, Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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.

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; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATION

1.2.1 Compliance with the Public Procurement Laws

Subject matter: Compliance audit on procurement of works, goods, and services
I performed a compliance audit on the procurement of works, goods, and services in the National Water Fund (NWF) for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, the procurement of works, goods and services of the National Water Fund (NWF) is generally in compliance with the requirements of the Public Procurement laws.

Trust Agent Engaged Without Competitive Procurement Process

Section 67 of the Public Procurement Act, Cap 410 R.E. 2022, prescribes competitive tendering as the preferred method of procurement. Moreover, Regulation 35 of the Public Procurement Regulations, 2013, requires that all invitations to tender be advertised to ensure transparency and promote competition. Contrary to these provisions, it was observed that the National Water Fund engaged the Tanzania Investment Bank (TIB) as a trust agent for the administration of the National Water Fund Loan Revolving Scheme through an agency agreement dated 6 February 2023, without undertaking a competitive procurement process.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the National Water Fund (NWF) for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, the Budget formulation and execution of the National Water Fund (NWF) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

(i) Funds transferred to the Ministry of Water to finance the Same-Mwanga-Korogwe Water Supply Project not in the NWF approved budget TZS 26,022,058,963

Regulation 6(2) and (3) of the National Water Fund Regulations, 2019 requires the Board to review the proposed list of water projects and submit its recommendations to the Minister. Upon being satisfied, the Minister is required to approve the list of water projects eligible for funding from the Fund along with the utilization of funds for administrative and operational costs.

To the contrary, my audit noted that out of TZS 142,593,564,109 received by the Fund during the financial year 2023/24, TZS 26,022,058,963 equivalent to 18% was transferred to the Ministry of Water to finance the construction of the Same-Mwanga-Korogwe Water Supply Project which was neither in the approved list of projects to be funded by the Fund nor in the Fund's approved budget.

(ii) Payments for unbudgeted activities TZS 95,820,308

Regulation 46 (2) of the Public Finance Regulations, 2001 requires every charge of expenditure and item of income to be classified strictly in accordance with the detailed approved budget. To the contrary, my review of the implementation of the approved budget for the financial year 2023/24 noted that the National Water Fund paid TZS 95,820,308 to activities that were not included in the budget.

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

2.0 FINANCIAL STATEMENTS

REPORT BY THOSE WHO CHARGED WITH THE GOVERNANCE FOR THE FY ENDED30 JUNE 2024

1.0 INTRODUCTION

The Board members of the National Water Fund (NWF) are pleased to Financial Statements for the yearended 30 June 2024 which disclose the state of affairs of the Fund.

ESTABLISHMENT

NWF is established under the Water Supply and Sanitation Act No. 05, 2019 as a public entity under the Ministry of Water responsible for the mobilization of financial resources necessary to support investment in projects for water supply provisions and management of catchment areas. The establishment of the Fund was a strategic decision made by the Government to address the challenge of stable and reliable availability of funds for the implementation of water projects. It is also an initiative to implement policy directives for improving financial resource mobilization stipulated under the National Water Policy 2002 (NAWAPO).

In discharging the aforementioned responsibilities, the day-to-day functions of the Fund are carried out by the Secretariat of the Fund, which is headed by the Chief Executive Officer, and the oversightmandate is vested to the Board of the Fund.

VISION

"To be a reliable and sustainable source of financing in the water sector".

MISSION

"To effectively mobilize and allocate funds to Implementing Agencies for improved provision ofwater services and conservation of water catchment areas"

CORE VALUES

The core values of the NWF are fundamental norms, which identify the character of the employeesand the fund at large. The agreed core values of the Fund are:

(i) Integrity

All staff will demonstrate honest, strong moral and ethical principles at work and treat stakeholders with trust that brings efficiency to meet the Fund's objectives.

(ii) Accountability

The Fund will demonstrate the state of obligation to accept responsibilities assigned and liabilities. It will also value the ability of the staff to honor the commitment to stakeholdersand ensure staff takes ownership of all activities and promptly corrects mistakes when they occur.

(iii) Customer Focus

Customer focus strongly contributes to the overall success of the business. The Fund will focuson quality management to meet customer requirements and always strive to exceed customer expectations.

(iv) Transparency

The Fund should perform its activities with openness.

(v) Teamwork

Staff of the Fund will work collaboratively, using their individual expertise and skills in order to achieve the Fund's goal.

(vi) Results Oriented

The staff of the Fund will focus on achieving the goal rather than concentrating on how the tasksare done.

1.1 MANDATE, FUNCTIONS AND POWER OF NWF

Mandate and Functions

In accordance with section 56 of the Water Supply and Sanitation Act (supra), the functions of theNational Water Fund are:

a) Mobilize financial resources necessary for the fulfillment of its objectives under this Act;

b) Disburse funds to implementing agencies for the purpose of execution of water projects;

c) Issue loans on favorable terms, to implementing agencies for investments in water serviceprovisions;

d) Monitor the use of the funds disbursed to implementing agencies;

e) To facilitate capacity building of implementing agencies to improve and enhance theirability in execution and management of water projects;

f) Recommend to the Minister guidelines for issuance of loans to water authorities; and

g) Develop operational guidelines on the issuance of loans and grants to implementing agencies.

Powers of the Board

Powers of the Board are provided for under regulation 8 of the National Water Fund Regulations,Government Notice No. 981 of 2019. The powers include but are not limited to:

i. Recommend to the Minister the appointment of the Chief Executive Officer of the Fund;
ii. Recruit such number of staff as it considers fit;
iii. Approve operational instruments including policies, manuals, plans, and budget of the Fund;
iv. Monitor the management of the funds and performance of the Secretariat; and
v. Make any other decision as it considers necessary to enable the Fund to achieve its objectives.

1.6.1 Membership

The President of the United Republic of Tanzania appoints the chairperson of the Board and the Minister responsible for Water and appoints other members of the Board. The tenure of office for members of the Board is three years and can be reappointed.

In fostering NWF's long-term objectives consistent with the Board's fiduciary duties, each member of the Board individually and the Board collectively shall have the following roles:

i. Regularly attends Board meetings and other important related meetings;
ii. Participates effectively and with commitment in Board assignments;
iii. Volunteers and willingly accepts assignments and undertakes them efficiently;
iv. Stay informed about NWF matters, prepare well for meetings and reviews, and comments on minutes and reports;
v. Cooperates with other Board members and builds a collegial working relationship that contributes to consensus;
vi. Actively participates in annual evaluation and planning activities;
vii. Ensuring that the Fund has an appropriate management structure and a management team to effectively carry out the Fund's objectives, strategies, and plans;
viii. Ensuring that the Fund complies with all relevant laws, regulations, rules and

directives;

ix. Ensuring that effective IT systems, internal controls, auditing, compliance policies, procedures, and processes are formulated, recommended to, and approved by the Board and implemented to avoid or mitigate key business risks and

x. Ensuring that assets of the Fund are properly maintained and safeguarded and not placed at risk unduly.

The Board consists of the following committees:

(i) Finance & Resource Mobilization Committee is responsible for;

(a) To receive and deliberate on NWF's strategic inputs on finance and administration issues such as budget, plans, recruitment, human resource development and training, promotion, discipline, retention, motivation, performance management, and staff welfare;

(b) To receive and deliberate upon NWF's plans for maintaining an optimum staff complement through ensuring effective manpower planning, recruitment, training and development;

(c) To receive and deliberate upon the development and periodic review of NWF's organization structure, job description, compensation structure, scheme of services and salary structure;

(d) To receive and consider NWF's plans for ensuring a conducive working environment and maintenance of oversight on staff competence, motivation, integrity, accountability and productivity;

(e) To receive and consider policies and regulations on finance, human resources and administration systems;

(f) To cause to be developed and implemented internal control systems that are necessary tosecure the assets and liabilities and ensure accuracy in recording income and expenditureof NWF;

(g) To cause to be developed and implemented a modern performance management system in line with NWF's Strategic Objectives;

(h) To cause to be developed and maintained policies and operational plans on capacity building, both for institutional and human resource development;

(ii) The Audit Committee is responsible for;

(a) providing the Board with independent, objective advice on the adequacy of management's arrangements.

(b) Stipulating the NWF Audit Committee Charter and Audit Committee Guidelines for

Public SectorEntities, Second Edition of June 2019 as issued by the Ministry of Finance and Planning under the Internal Auditor General's Department and as amended from time to time.

(iii) Planning and Administrative Committee is responsible for;

(a) Receiving and deliberating on finance, planning, and administrative matters;

(b) Receiving and deliberating on NWF's strategic inputs on finance and administration issues such as budget, plans, recruitment, human resource development and training, promotion, discipline, retention, motivation, performance management, and staff welfare;

(c) Receiving and deliberating upon NWF's plans for maintaining an optimum staff complement through ensuring effective manpower planning, recruitment, training, and development;

(d) Receiving and deliberate upon the development and periodic review of NWF's organization structure, job description, compensation structure, scheme of services, and salary structure;

The Table below shows Members of the Board and their meetings for the financial year2023/24.

NAME	POSITION	APPOINTMENT	RETIREMENT	EDUCATION
Eng. Abdallah Mkufunzi	Chairman	05/05/2023	05/05/2025	Registered Professional Mechanical Engineer (No. 1376), Postgraduate Diploma in Shared Water Resources at Cairo University, Egypt
Adv. Haji Nandule	Secretary	11/10/2022	10/10/2025	Masters of Laws in corporate and commercial law UDSM, PGD in legal practice (law school) 2010
Hajra Mmambe	Member	11/10/2022	10/10/2025	MBA in Corporate Management (Mzumbe)
CPA. Ahadi Msangi	Member	11/10/2022	10/10/2025	CPA (T), MBA (Finance) University ofManchester UK
Ms. Sarah Mtelele	Member	11/10/2022	10/10/2025	Master of Science in Human Resources Management (Mzumbe)
Mr.Patrick Pima	Member	11/10/2022	10/10/2025	Master of International Economics(Bradford, UK)
Mr. Aloyce Mwita	Member	11/10/2022	10/10/2025	Master of Science in E ngineering Management University of Dar salaam

1.6.2 Corporate Governance

The Board is responsible for the governance of the Fund by ensuring that the Fund complies with the law, standards of corporate governance, and business ethics. The Board takes overall responsibility of managing the Fund, including effective and efficient implementation of various activities such as financial resource mobilization, disbursement of the funds to the implementing agencies, and monitoring of funds utilization.

In addition, the Board approves plans and budgets as well as advising the Minister on efficient allocation of financial resources.

The powers and duties of the Board are laid out under the provisions of Regulations 8 and 9 of theNational Water Fund Regulations GN. No. 981 of 2019. Thus, the Board of NWF hereby confirms that:

(i) Suitable accounting policies have been adopted and applied consistently.
(ii) The International Public Sector Accounting Standards (IPSAS) have been adhered to in preparing the financial statements.
(iii) The Fund keeps proper books of account and accounting records, which disclose with reasonable accuracy, all the financial transactions, assets and liabilities.
(iv) The Fund maintains an adequate system of internal controls and takes reasonable steps for the prevention and detection of fraud, errors and other irregularities.
(v) The Fund has prepared the financial statements, which the Board believe reasonably disclose the financial position of the entity.
(vi) Fund will remain a going concern for at least twelve months from the date of this month.

The NWF operational and Accounting Manual has stipulated that there shall be an Internal Audit Unit that will undertake set of internal Audit activities by reviewing and appraising all operations of the Fund. The status and powers of the internal audit functions should conform to internationally acceptedstandards. During the reporting period, internal audit activities were performed by the internal auditorof the Fund, unlike in the previous year NWF was using an Internal Auditor from the Ministry.

1.6.2 Management

The institutional framework of the National Water Fund is comprised of the Minister at the apex, the Boardof the Fund, and the Secretariat. According to this setup, NWF the oversight role is vested to the Board, which is comprised of such members to be appointed by the Minister responsible for Water. Thequalities, qualifications, number and tenure of office for such Members shall be as stipulated under the Water Supply and Sanitation Act No. 05, 2019 and the National Water Fund Regulations GN. No. 981 of 2019.

The day-to-day affairs and dealings of the Fund are executed by its executive organ known as "the Secretariat of the Fund" which is managed by the Chief Executive Officer who is appointed by the Board in consultation with the Minister responsible for Water.

During the reported period, the Board has delegated the day-to-day operations of the Fund to the Secretariat comprising of an acting management team led by the CEO of the Fund, thirteen (13) Officers of different professionals, and Seven (7) supporting staff. The Team is made up of Seven heads of unitsas shown in the table below:

Name	Position	Qualification	Period saved
Haji M. Nandule	Chief Executive Officer	LLM (Com and Corp).	February, 2016 to June 2024
Ms.CPA Nafisa H.Twalib	Ag. Director of Financeand Accounts	CPA, PGTM & ADA	September, 2019 to June 2024
James Kalimanzila	Ag. Director of corporate services	Masters in Human Resources Development	March, 2024 to June 2024
Eng. Peter Kishiwa	Ag. Director of Project Appraisal and Resource Mobilization	MSc. Engineering (WaterResources)	August ,2022 to June 2024
Scholastica Chandika	Ag Chief Internal Auditor	CPA (T), Masters of Business Admiration	March, 2024 to June 2024
Kessy J. Mkambala	Ag.HPMU	Masters of Sciencein Procurement Supply chain and Management	March,2024 to June2024
Juma Mchiro	HICT	Masters' degree inICT for Development (MICT4D)	March,2024 to June 2024

OTHER POLICIES AND REGULATIONS

Charitable and Political Donations
During the reported period, the Fund has not contributed to any social events or political parties as a donation

Employees' Welfare
a. Health Policy (Medical Expenses)

The Fund Secretariat together with their spouse and a maximum number of four childrenwere availed free medical expenses through the National Health Insurance (NHIF) Scheme, which is deducted from their monthly salary paid by Permanent Secretary of the Ministry.

b. Training

The Fund will continue to provide training to the Board and its employees whenever the needarises. However, during the reporting period the Fund sponsored two (2) Staff to undertake Part time studies in Master's Degree. One staff is pursuing Part time studies in Master's Degree in Project Planning, Monitoring and Evaluation at the Institute of Rural Development Planning Dodoma and another staff is pursuing Part time Studies in Masters of Science in Finance and Investment at the Institute of Accountancy Arusha. In addition, the Fund sponsored one (1) staff to study a Bachelor Degree in Information Technology. The Fund continued to offer workshop and seminars on HIV Aids and Corruption at work place.

c. Relationship between Management and Employees

There was continued good relations between employees and Management for the year ended30 June 2024. There were no unresolved complaints received by Management.

d. Emoluments

Employees' emoluments include salaries, housing, telephone, electricity transport, extra duty and leave allowances. During the year, extra duty and leave allowances have been paidto employees entitled for the allowance stated above.

e. Employee's Benefit

No other benefit accrued to employees during the reported period, as the fact thatrelevant documents such as Scheme of Service and Salary Structure, Staff Regulations, Financial Regulations, and Accounting Manual which enable employees to receive benefits have been approved in the financial year

2023/24, ready to be implemented in 2024/25 budget.

Gender Parity
The Fund as an equal opportunity employer, it embraces diversity and inclusion at work place aiming at bringing together experiences and perspectives arising from different culture, religion, heritage, age, genders and other characteristics. As at 30 June 2024, the Fund had a total number of 24 employees; out of which 8 were female and 16 were male.

Directors' Remuneration
During this year, the Fund Paid TZS 43,000,000.00 as Directors Fees to Board members.

Related Party Transactions
NWF is a wholly owned entity of the government. The government, through the Board significantly influences the roles of the Fund as well as being its major financier. In some cases, the Fund is mandated by the Act to transact with other government-owned Urban Water Authorities (WSSAs), RUWASA, MDAs, entities, and state-owned enterprises related to the water sector.

Pending Litigations
Management of the NWF certifies that as of 30 June 2024, there was no pending litigations opened against NWF as regards to legal claims. Likewise, that poses no risks to the continuation and daily operations of the Fund.

Future Development
By using strengths in place including Policies, Laws, Regulations and available human and financial resources, NWF will continue to implement its core responsibilities, NWF will ensure appropriate initiatives that lead and contribute to the achievement of the target of increasing rural water supply coverage to 85% by the year 2025 being a proportion of rural population with access to clean and safe water.

FINANCIAL POSITION
The financial position comprises of assets and liabilities of the National Water Fund. As at 30 June 2024, the Fund had net assets of TZS 152,833,279,277 with total assets of TZS 176,988,619,400 and total liabilities of TZS 24,155,340,123. Net assets have increased by TZS 86,804,014,086 from TZS 66,029,265,191 as of 30 June 2023.

ASSETS

Major line items of assets in this financial statement comprised the following:

i. Cash and cash equivalent

The amount of cash and cash equivalent for the year ended June 2024 was TZS 18,172,933,020 compared to TZS 25,249,232,804 for the year ended June 2023.

ii. Receivable

The amount of Receivable for the year ended 2024 was TZS 151,807,588,439 compared to TZS 65,364,801,697 for the year ended June 2023. The increase of TZS 86,442,786,742 was caused by more funds collected from fuel levy but not yet received by the Fund.

iii. Prepayment

The reported figure of Pre-payments of TZS 2,400,000 for the year 2023/24 is for the printer which was purchased but not yet delivered. The amount of pre-payment decreased from TZS 127,563,305 to TZS 2,400,000 due to the receipt of Motor vehicle amounting to TZS 121,969,000 and fuel amounting to TZS 5,594,305 that were utilized in the reported period.

iv. Loan Receivables

During the reported period NWF has started issuing loan in favorable terms to its implementing agencies as shown in the table below

S/N	Implementing Agent	Amount
1.	Bunda UWSSA	800,000,000
2.	Tanga UWSSA	1,500,000,000
3.	DAWASA	3,000,000,000
Total Principal Loan		**5,300,000,000**
Loan Interest Receivable		34,598,630
Provision for Expected Credit Loss		(50,972,629)
Total Receivable balance		**5,283,626,001**

Government Securities-Tanga WSSSA Green bond

During the reported period NWF purchased green bond of TZS 1,000,000,000 from Tanga UWSSA for the interest of TZS 13.5% annually which will be paid twice a year.

Property Plant and Equipment

As 30 June 2024, Fund held significant fixed assets, which include Motor vehicles, Container, Office furniture and fixtures, Computer Hardware and Office equipment and Land with a total carrying amount of TZS 722,137,236 compared to TZS 677,988,811 for the year ended 30 June 2023. The increase of TZS 44,148,425 was caused by the purchasing and receiving of new Assets for the reported period.

LIABILITIES

The Major line items on the liabilities side of the financial position comprises of the following:

Payables and Accruals
For the year ended 30 June 2024, NWF has recorded TZS 384,603,277 as payable amount while for the year ended 30 June 2023 TZS 141,088,623 was recoded as outstanding payables. The increase in the amount of TZS 243,514,654 is caused by unpaid suppliers' invoices for the reported period.

Differed Income
For the year ended 30 June 2024, NWF has recorded deferred Subvention (Current) and deferred Subvention (capital) totaled TZS 23,656,655,357 compared to TZS 25,249,232,804 as deferred income (Capital) and deferred income (Revenue) for the year 2022/23. The differed revenue will be recognized on the year 2024/25 as the amortized revenue.

NET ASSETS
Taxpayer's fund remained unchanged TZS 341,403,119.00 as per circular number 2 of 2018/19, the movement of equity will be through surplus or deficit account.

FINANCIAL PERFORMANCE
Subvention from the Ministry of Water
The transfer done by the Ministry to the Fund for the year ended 30 June 2024 and transferred to the Fund was TZS 142,971,567,958, whereas TZS 117,025,126,131 was received in the year ended 30 June 2023, the difference was caused by the increase in the releasing of Funds and the recognition of dummy salaries for the reported period.

Surplus
For the year ended 30 June 2024, the Fund has recorded a surplus of TZS 86,804,014,088 compared to the previous year 2022/23 recorded surplus of TZS 63,751,445,234.

Wages, Salaries and Employee Benefits
These items comprise of salaries and other personal allowances such as Electricity, House allowance, leave travel, moving expenses, Medical & Dental refunds, Utilities, Sitting allowances and other allowances. During the period ended 30 June 2024 NWF incurred TZS 838,303,482 compared to TZS 314,829,196.00 incurred during the financial year ended June 2023.

Use of goods and Services
The National Water Fund incurred a total amount of TZS 2,533,266,878 compared to TZS 1,272,834,471 for the year 2022/23 to facilitate expenditure on supplies and consumable goods. Thereported figure has increased as compared to 2022/23 due to increase of activities implemented during the year 2023/24.

Transfer Payments
During the reporting period, total amount of TZS 141,082,037,265 was transferred for water projects to Rural Water Supply and Sanitation Agency (RUWASA), Urban Water Supply Authorities, and Basin Water Boards, while in the previous year TZS 112,281,546,892 was transferred for development of Water projects. The increase in amount was caused by more distributions of funds for the reported period.

Other Expenses
The National Water Fund records showed TZS 567,442,816 amount as other expenses as at 30 June 2024 compared to TZS 232,883,965 for the year ended 30 June 2023. The difference of TZS 205,027,781 is due to decrease of payments made for during the reported period.

Depreciation
The amount of depreciation charged for the year 2023/24 is TZS 95,563,532 compared to TZS 149,708,556 of the year ended 2022/23. The decrease amount of TZS 82,100,059 is caused by revision of useful life of National Water Fund Fixed Assets.

Maintenance Expenses
NWF reported TZS 36,062,668 as the Amount of Maintenance Expenses for the reported period compared to TZS 45,291,141 of 2022/23. The decrease of TZS 9,228,473 is caused by the purchasing of less spare parts during the reported period compared to the previous year

Cash Flow from Operating Activities
During the year 2023/24, total receipts was TZS 143,963,772,199 and total expenditure from operating activities was TZS 144,719,929,023 which makes a net cash flow from operating activities of TZS (756,156,824), financed by a carryover amount of TZS 25,249,232,804.

Cash flow from Investing Activities
For the year ended 30 June 2024, the Fund used TZS 1,020,142,960 in investing activities for the purchase ofAir conditions, Printer and office cabinets and green bond from Tanga UWSSA to facilitate a good working environment, compared to TZS 152,989,001 of 2022/23. The difference was due to the purchase of the green bond from Tanga UWSSA for the year under review.

CONCLUSION
The National Water Fund continues to improve financial management, and it has complied with IPSAS accrual basis during the reporting period for the year ended 30 June 2024. This has enhanced the financial reporting in Government and provides

transparency and more comprehensive financial information to decision-makers. These Financial Statements should be read in conjunction with notesand schedules for better understanding.

Statutory Auditors
The Controller and Auditor-General (CAG) is the statutory auditor of the Fund pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005),Section 9 - 12 of the Public Audit Act, Cap 418 [R.E 2021] and Water supply and Sanitation Act of 2009Section 46 (2) clarifies that the Controller and Auditor General is a Statutory Auditor for the Fund.

IMPLEMENTATION OF THE FUND STRATEGIC PLAN AND BUDGET FOR THE YEAR 2023/24
During the financial year 2023/24, the National Water Fund planned to fund a number of projects in Mainland Tanzania to achieve its objectives. In this financial year, the Fund estimated to receive (TZS) 175,912,837,000 from its source, which currently is the fuel levy of TZS 50 from every liter of diesel and petrol charged, and deposited to the account of NWF pursuant to the Finance Act No. 16 of 2015. National Water Fund had collected a total of TZS 143,963,772,199, which is equivalent to 81.84% of the projection including TZS 328,699,000 recognized as a dummy receipt for employees' salaries.
The revenue and expenditure trend analysis for two financial years is as summarized in Table 1 and Table 2 hereunder:

Table 1: Comparison of Revenue Collection for 2022/23 and 2023/24

FinancialYear	ApprovedEstimates	Actual Collection	Performance
2022/23	175,912,837,000	117,025,126,131	66.52%
2023/24	175,912,837,000	143,963,772,199	81.84%

Table 2: Comparison of Expenditure for 2022/23 and 2023/24

Financial Year	ApprovedEstimates	Actual Expenditure	Performance
2022/23	175,912,837,000	113,801,887,509	64.69%
2023/24	175,912,837,000	151,089,376,833	85.89%

The approved budget for the financial year 2023/24 was TZS 175,912,837,000 and the National Water Fund spent TZS 151,040,071,983 (equivalent to 85.86%) to meet its plans and targets. Also, NWF recognized TZS 328,699,000 as a dummy expenditure for employees' salaries which was budgeted by the Ministry.

The key achievements during this reporting period were recorded as follows: -
Since its inception in June 2024, the NWF has managed to mobilize financial resources to the tune of TZS 1,302,394,793,081.40 for financing water projects in Tanzania's

mainland. About 2,305 water projectsincluding 1,524 water supply projects in rural areas, 612 water supply and sanitation projects in urban areas and 169 projects on water resources conservation, received finance from the fund. This has contributed to the improved water supply coverage to 90% in urban areas and 79.6% in rural areas.

The focus of the fund: -
In striving to fund water projects, NWF will seek to explore the opportunity of engaging more partnersto further its objectives. The Fund intends to foster cooperation with all key stakeholders both local and international who will assist the fund in mobilizing financial resources required to improve water services provisions in areas with inadequate water supply services coverage and conservation of water resources.

With the financial resources ring-fencing mechanism, NWF expects to attract a considerable number of funding stakeholders to join hand with the fund with the ultimate goal of improving access to clean and safe water and boost the social and economic welfare to the community.

Since the financial year 2022/23 the Fund lounged its loan window on favorable terms to water authorities pursuant to sections 44(4) and 56(c) of Water Supply and Sanitation Act, 2019.This Loan Scheme helps water authorities to boost social economic welfare to the community water utilities to access fund on favorable terms for the execution of water projects in their service areas. For the reported period the Fund disbursed loans to the tune of TZS 5,300,000,000; TZS 800,000,000 was disbursed to Bunda water supply, TZS 1,500,000,000 to Tanga Urban water supply and TZS 3,000,000,000 to DAWASA.

EMPLOYEES WELFARE

National Water Fund recognizes the significance of improving the welfare of its staff and has all alongfacilitated staff welfare programs like sports and training. The Workers' Union is well recognized and normally their views and concerns which always are channeled in Workers Council are acknowledged and considered in reaching decisions. Also, employees are kept closely involved in major changes affecting them, through meetings, briefings and internal communication.

CHALLENGES

Despite the achievements reached in improving water projects as stated above, the Fund was constrained by a number of drawbacks including receiving more requests for grants than the Fund's ability to provide grants. For the Financial Year 2023/24 the Fund failed to Finance 30 Projects compared to 9 Projects for the year 2022/23. In response to this challenge, NWF has begun lookingfor other sources of revenue to increase the scope of grant funding.

CONCLUSION

I would like to extend my special thanks to fellow employees of National Water Fund for working diligently together as a team towards the achievements of the objectives of the Fund. I deeply appreciate the efforts made by the Board of the Fund and staff, both individually, and as a cohesive unit.

Eng. Abdallah Mkufunzi
Board Chairman
Date: 06/03/2025

3.0 STATEMENT OF BOARD RESPONSIBILITY

The overall oversight and accountability of the management of the funds of NWF is vested to the Board.This is pursuant to section 58(1) Water Supply and Sanitation Act No. 5 of 2019 which provides that theBoard shall, among other things, be responsible for administering functions of the Fund. On the otherhand, section 59(1) establishes the Secretariat to discharge day-to-day affairs of NWF, is headed by the Chief Executive Officer, and is comprised of such number of staffs as the Board determines from time to time.

The Water Supply and Sanitation Act under section 60 requires the Board to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Fund as at the end of each financial year. The Act also requires it to ensure that the Fund keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Fund. The Board also is responsible for safeguarding the assets of the NWF and hence for taking reasonable stepsfor the prevention and detection of fraud, error and other irregularities.

The Board accepts responsibility for the annual financial statements, which have been prepared usingappropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and the requirements of theWater Supply and Sanitation Act No.05 of 2019. It is the responsibility of External Auditors to form anindependent opinion on those financial statements based on their audit.

Eng. Abdallah Mkufunzi
Board Chairman
Date..................06/03/2025

4.0 STATEMENT BY THE CHIEF EXECUTIVE OFFICER FOR THE PERIOD ENDED 30 JUNE 2024

INTRODUCTION

The National Water Fund (NWF) was initially established under the Water Supply and Sanitation Act No 12 of 2009 (Section 44 (1)) and came into operation in 2006. Currently, NWF is governed by the water supply and Sanitation Act No 5, 2019. The main intent of establishing National Water Fund was to mobilize financial resources necessary for implementation of water projects as well as monitoring and evaluation of those utilized funds by implementing agencies. The Fund so far supports Rural Water Supply and Sanitation Agency (RUWASA), Water Supply and Sanitation Authorities (WSSAs) and Basin Water Boards (BWBs) as its implementing agencies.

According to sections 59 (1) of the Water Supply and Sanitation Act 2019, the Fund shall establish an

The executive organ of the Fund to be known as the "Secretariat of the Fund" which shall be composed of the Chief Executive Officer and such other staff as may be necessary for proper functioning of the Fund.

The financial statements for the period ended 30 June 2024 are prepared under the requirement of Section 25(4) of the Public Finance Act, Cap. 348. The report comprehensively reviews the physical and financial achievements of The National Water Fund.

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Haji M. Nandule
Chief Executive Officer
Date: 06 / 03 / 2025

5.0 DECLARATION OF THE HEAD OF FINANCE OF THE FUND

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, requiresfinancial statements to be accompanied with a declaration issued by the Head of Finance responsiblefor the preparation of financial statements of entity concerned.

It is the duty of a Professional Accountant to assist the Board 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 withthe Board as under the statement of Board Responsibility on an earlier page.

I, **CPA Kessy Mpakata** being the Head of Finance of the National Water Fund, here by acknowledge myresponsibility of ensuring that financial statements for the year ended 30 June 2024 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) accrual basis accounting standards and statutory requirements.

I, thus confirm that the financial statements give a true and fair view position of the National Water Fund as on that date and that they have been prepared based on properly maintained financial records.

Signed by: ....

Position: Ag. Director of Finance and Accounts

NBAA Membership No. ACPA 2887

Date: 06 MARCH, 2025

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2023/24 TZS	2022/23 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	62	18,172,933,020	25,249,232,804
Receivables	67	151,807,588,439	65,364,801,697
Loan Receivables	68	5,283,626,001	0
Prepayments	69	2,400,000	127,563,305
Inventories	70	7,610,725	0
Total Current Asset		**175,274,158,185**	**90,741,597,806**
Non - Current Asset			
Property, Plant and Equipment	77	722,137,236	677,988,811
Government Securities	85	992,323,979	0
Total Non - Current Asset		**1,714,461,215**	**677,988,811**
TOTAL ASSETS		**176,988,619,400**	**91,419,586,617**
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	384,603,277	141,088,623
Deferred Income	93	23,656,655,357	25,249,232,804
Deposits	94	114,081,489	0
Total Current Liabilities		**24,155,340,123**	**25,390,321,426**
TOTAL LIABILITIES		**24,155,340,123**	**25,390,321,426**
Net Assets		**152,833,279,277**	**66,029,265,191**
NET ASSETS:			
Capital Contributed by:			
Taxpayers' Fund		341,403,119	341,403,119
Accumulated Surpluses		152,491,876,158	65,687,862,072
TOTAL NET ASSETS		**152,833,279,277**	**66,029,265,191**

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Eng. Abdallah Mkufunzi
Board Chairman
Date: 06/03/2025

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Haji M. Nandule
Chief Executive Officer
Date 06/03/2025

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

REVENUE	Note	2023/24 TZS	2022/23 TZS
Revenue			
Interest on Loan and Bond	16	34,598,630	0
Subvention from other Government entities	32	231,980,740,749	178,048,539,455
TOTAL REVENUE		**232,015,339,379**	**178,048,539,455**
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	34	838,303,482	314,829,196
Use of Goods and Service	35	2,533,266,878	1,272,834,471
Maintenance Expenses	36	36,062,668	45,291,141
Other Expenses	52	567,442,816	232,883,965
Depreciation of Property, Plant and Equipment	77	95,563,532	149,708,556
Provision for Expected credit Loss	95	58,648,650	0
Total Expenses		**4,129,288,026**	**2,015,547,329**
Transfers:			
Subsidies	58	141,082,037,265	112,281,546,892
Total Transfer		**141,082,037,265**	**112,281,546,892**
TOTAL EXPENSES AND TRANSFERS		**145,211,325,291**	**114,297,094,221**
Surplus		**86,804,014,088**	**63,751,445,234**

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Eng. Abdallah Mkufunzi	Haji M. Nandule
Board Chairman	**Chief Executive Officer**
Date: 06/03/2025	**Date** 06/03/2025

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Tax Payer's Fund TZS	Accumulated Surplus/(Deficit) TZS	Total TZS
Opening Balance as at 01 Jul 2023	341,403,119	**65,687,862,072**	**66,029,265,191**
Surplus/ Deficit for the Year	0	86,804,014,088	86,804,014,088
Closing Balance as at 30 Jun 2024	**341,403,119**	**152,491,876,160**	**152,833,279,277**
Opening Balance as at 01 Jul 2022	341,403,119	1,936,426,832	2,277,829,951
Surplus/ Deficit for the Year	0	63,751,445,234	63,751,445,234
Closing Balance as at 30 Jun 2023	**341,403,119**	**65,687,862,072**	**66,029,265,191**

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Eng. Abdallah Mkufunzi
Board Chairman

Date: 06/03/2025

Haji M. Nandule
Chief Executive Officer

Date 06/03/2025

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2023/24	2022/23
RECEIPTS		
Subvention from other Government entities	142,922,263,108	117,024,279,880
Increase in Deposit	114,081,489	846,250
Other receipts	927,427,602	
Total Receipts	**143,963,772,199**	**117,025,126,131**
PAYMENTS		
Wages, Salaries and Employee Benefits	829,268,482	315,597,096
Use of Goods and Service	2,205,117,793	914,001,915
Subsidies	141,082,037,265	112,281,546,892
Other Expenses	567,442,816	62,163,844
Maintenance Expenses	36,062,668	75,588,763
Total Payments	**144,719,929,023**	**113,648,898,510**
NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(756,156,824)	3,376,227,621
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investing Activities		
Increase in Government Securities	(1,000,000,000)	0
Advance Payment for Acquisition of Property Plant and Equipment	(2,400,000)	(121,969,000)
Acquisition of Property, Plant and Equipment	(17,742,960)	(31,020,001)
Total Investing Activities	**(1,020,142,960)**	**(152,989,001)**
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,020,142,960)**	**(152,989,001)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Activities:		
Loans issued	(5,300,000,000)	0
Total Financing Activities	**(5,300,000,000)**	**0**
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(5,300,000,000)**	
Net Increase	(7,076,299,784)	3,223,238,620
Cash and cash equivalents at beginning of period	25,249,232,804	22,025,994,183
Cash and cash equivalents at end of period	**18,172,933,020**	**25,249,232,804**

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Eng. Abdallah Mkufunzi
Board Chairman
Date: 06/03/2025

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Haji M. Nandule
Chief Executive Officer
Date 06/03/2025

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2024

	Original Budget TZS	Reallocation TZS	Final Budget (B) TZS	Actual Amount on Comparison Basis (A) TZS	Difference between Final Budget & Actual (B-A) TZS
RECEIPTS					
Subvention from other Government entities	175,912,837,000	0	175,912,837,000	142,922,263,108	32,990,573,892
Increase in Deposit	0	0	0	114,081,489	(114,081,489)
Other receipts				927,427,602	(927,427,602)
Total Receipts	**175,912,837,000**	**0**	**175,912,837,000**	**143,963,772,199**	**31,949,064,801**
PAYMENTS					
Wages, Salaries and Employee Benefits	366,180,000	129,657,400	495,837,400	829,268,482	(333,431,082)
Use of Goods and Service	2,043,831,539	107,775,967	2,151,607,506	2,205,117,793	(53,510,287)
Subsidies	168,012,091,069.00	0	168,012,091,069.00	141,082,037,265	26,929,853,804
Other Expenses	4,471,806,690	(115,204,700)	4,356,601,990	567,442,816	3,789,159,174
Maintenance Expenses	85,000,000	(42,228,667)	42,771,333	36,062,668	6,708,665
Increase in Government Securities	0	0	0	1,000,000,000	(1,000,000,000)
Acquisition of Property, Plant and Equipment	933,927,702	(80,000,000)	853,927,702	20,142,960	833,784,742
Loans issued	0	0	0	5,300,000,000	(5,300,000,000)
Total Payment	**175,912,837,000**	**0**	**175,912,837,000**	**151,040,071,984**	
Net Payments	**0**	**0**	**0**	**(7,076,299,784)**	

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Eng. Abdallah Mkufunzi
Board Chairman
Date: 06/03/2025

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Haji M. Nandule
Chief Executive Officer
Date 06/03/2025

Explanatory Notes;

For the reporting period, NWF received TZS 142,593,564,109.20 for Development and operations as compared to a budget of TZS 175,912,837,000.00, leading to the releaseof fund TZS 33,319,272,890.80. This under-release was mainly caused by the non-disbursement of monies collected as fuel levy for the water fund. The payments of wages, salaries, and employee benefits beyond the budget line item were caused by the central budgeting of salaries by the Ministry of Water during the year under review. During the financial year 2024/25, the budget line item has been shifted from the Ministry of Water to the National Water Fund. On Government Securities and loan receivables issued, there was no pre-determined budget for the payments made.

GENERAL INFORMATION

NWF INFORMATION

The NWF is situated at Tambukareli Street in Dodoma City.

NATIONAL WATER FUND
Salmin -Tambukareli street,
S.L. P 2204,
DODOMA.

BANKERS I
Bank of Tanzania, JAKAYA
KIKWETE ROAD,
P.O BOX 2303,
DODOMA.

LAWYER
Attorney General,
P.O BOX 630, Sheria
Street, Government
City,**DODOMA.**

BANKERS II
National Microfinance Bank (NMB),Safina,
Opposite Mkapa House,
DODOMA.

CHIEF EXECUTIVE OFFICER,
Water Fund,
P.O Box 2204,
Salmin -Tambukareli street,
DODOMA.

AUDITORS
Controller and Auditor General,
National Audit Office,
Audit House,
Mahakama Road
P.O Box 950,
41104 Tambukareli,
DODOMA.

Establishment of NWF

The National Water Fund is established under the Water Supply and Sanitation Act No. 5 of 2019 to provide Investment support for water service provision and the management of catchment areas serving water supply abstraction in areas of Mainland Tanzania that are withoutadequate water service.

National Water Fund discharges its functions under the umbrella of the Ministry of Water.
The principal activities of the National Water Fund are the mobilization of resources, disbursement, and monitoring of utilization of funds set aside for implementation of water projects from the Rural WaterSupply and Sanitation Authority, Urban Water Supply and Sanitation Authorities, and Basin Water Boards.

The administrative aspects of the Fund, such as the establishment of the Secretariat to execute day-to-day functions of the Fund, are provided for in the National Water Fund Regulations GN. No. 981 of2019. Also, the NWF Operation Guideline outlines a number of issues, including mechanisms for the selection of water projects to be financed by the Fund.

National Water Fund office and address of its principal place of business is Salmin-Tambukareli Street, P. O. Box 2204, DODOMA TANZANIA.

AUTHORIZATION DATE

These financial statements were submitted to the Controller and Auditor General on 31 August 2024 for audit. After being signed by the Controller and Auditor General and tabled to the Parliament they will be available to the public.

Haji M. Nandule
Chief Executive Officer

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are setout below. These policies have been applied and consistently will be applied to years presented unless as otherwise stated.

Basis of Financial Statements Preparation
The financial statements have been prepared on a historical cost basis (except stated otherwise) in accordance with International Public Sector Accounting Standards (IPSAS).

Going Concern
Nothing has come to the attention of the Board to indicate that the Fund will not remain a going concern for at least twelve months from the date of this statement. Therefore, the Financial Statements continue to be prepared on a going-concern basis.

Statement of Compliance
The financial statements of the Fund have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under accrual basis as issued by the International Public SectorAccounting Standard Board (IPSASB) as well as Public Finance Act, Cap. 348, Water Supply and Sanitation Act No. 5 of 2019 and other directives/Circulars from Treasury. The accounting policiesadopted, which are consistent with those of previous years, are shown below.

Foreign currency translation Functional and Presentation Currency

The functional currency of NWF, which is also its presentation currency, is Tanzania Shillings and all values are rounded to the nearest Shilling except when otherwise indicated. Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which the Entity operates ("the functional currency"). The financial statements arepresented in Tanzanian Shillings (TZS), which is the Fund's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into Tanzanian Shillings using the 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.

Cash and cash equivalents

Cash and Cash equivalent in the statement of financial position comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, and is measured at amortized cost. For the purpose of the cash flow statement, cash and cash equivalentsconsist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Revenue from non-exchange transactions

Revenue is recognized to the extent that it is probable that the economic benefits will flow to theFund and the revenue can be reliably measured. IPSAS 23 which requires inflow of resources from a non-exchange transaction to be recognized both as revenue and as an asset, except to the extentthat a liability also is recognized in respect of the same in flow. Generally, IPSAS 23 requires all grants or any other receipt from non- exchange transaction to be recognized in full as revenue and should appear in the statement of financial performance unless a liability is also recognized in respect of the same inflow.

Other transfers

Other transfers include fees, fines, penalties, licenses, gifts, donations (including goods-in-kind), and transfers from other government entities. These are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Fund; and the fair value of the asset can be measured reliably. Services-in-kind are not recognized as revenue but are disclosed in the financial statements. However, during the year there were no any servicesin kind received by the Fund from various Institutions.

Comparatives

There is comparative information so as to ensure consistency with the current period and prior dueto the fact that it is a fourth year of operation, the previous year's balance have been regrouped whenever appropriate for comparison purposes as further clarified to the commentary to the notes.

Payables

Payables are obligation to pay for goods or services that have been acquired in the ordinary courseof business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Advances and other receivables

Receivables are disclosed in the Financial Statements at original historical cost. Bad debts are written-off, with the approval of the Board when identified and are reflected in the Statement ofLosses.

Taxpayers Fund

These are monies public funds which include all resources collected and spent by the government in various infrastructures such as schools, hospitals, water systems, roads, railways and many otherstrategic projects for the main purpose of satisfying individual or collective needs for its citizen orcreate future benefits to its citizens.

Taxpayers' funds are a term adopted by the government to represent initial residual value or capital. Accordingly, taxpayers' funds are expected to be static after the lapse of the transitionalperiod in the financial year 2016- 2018 of which the Government was establishing its initial capitalafter migrating from cash basis of accounting. The movement of equity will be through surplus or deficit account and may be positive or negative

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 anyreplacement parts in accordance with the related recognition criteria. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The annual rates of depreciation which have been consistently applied are as in the table below:

ASSET CATEGORY	AVERAGE USEFULLIFE (YEARS)	EQUIVALENT PERCENTAGE (%) OF DEPRECIATION
Administration Assets		
Furniture and fixture	10	10%
Computer (Desktop and laptops)	8	12.5%
Office equipment	10	10%
Motor Vehicles {Light duty (below 5 tons)}	10	10%
Building	50	2%

An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognitionof the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset isderecognized.

The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed and adjusted if appropriate, at each financial year's end. When each major inspection is performed, its cost is recognized in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied.

PARTY TRANSACTIONS AND DISCLOSURES

IPSAS 20 - Related Party Disclosures stipulates that Parties are considered to be related if one partyhas the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. For NWF key management includes; CEO, heads of departments and Units, and their close relatives.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. There were notransactions with key management personnel during the year apart from monthly salaries leave passage and gratuities paid at the end of the contract.

Events after the reporting date

Events after the reporting period are those events, favorable and unfavorable, that occur betweenthe end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period(adjusting events after the reporting period); and
- Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period). However, during the year there were no subsequent events that have occurred which are either to be disclosed or to be adjusted in the financial statements that could materially affect the financial statements.

Preparing the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported 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.

Judgments

In the process of applying the Entity's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Determination of the useful lives of property, plant and equipment Management uses Accounting Circular No. 1 of 2018/18 (Para.7) as a reasonable judgment in determining the useful lives and hencedepreciation rates of the items of property, plant and equipment.

Capital Management
The Fund's capital is its equity (or Taxpayers' funds), which comprises accumulated surplus/deficitand other reserves.

Equity is represented by net assets: The objective of managing these items is to achieve sustainableequity, which is a principle promoted in the Act and applied by the Fund.

Sustainability of equity requires today's taxpayers to meet the costs of utilizing the Fund's assets and not expect them to meet the full cost of long-term assets that will benefit Taxpayers in future generations

Risk Management
The Fund is facing a number of events that threaten the attainment of its objectives. The risks are mitigated and addressed as and when they occur. A major risk is Operational Risks faced by Fund due to its mandate and obligations. Which consequently stands in great chances of being involved in the misuse of resources allocated for daily operations

Financial Management
Financial management risks relate to the availability of adequate funding for operations. The chief risk in this area is that demand for services might put excessive pressure on the budget. Risks encompass the entire scope of general financial management, Potential factors to consider include; Cash flow adequacy and management thereof; financial losses; Wasteful expenditure; Budget allocations; Financial statement integrity; and increasing operational expenditure.

Environment Risk
Risks related to the Fund's economic environment. Factors to consider include Inflation and Foreign exchange fluctuations.

Political environment Risk
Risks emanating from political factors and decisions that have an impact on the WSDP's mandate and operations, possible factors to consider include political pressure and local, Provincial, and National elections.

Contract management Risk
Risks related to the sector projects depend on the performance of the Contractor, Consultant or Service provider. Risk in this regard could be that there is the likelihood that a service provider might not perform according to the service level agreement entered into with a Fund. Non- performance could include: Outright failure to perform; Not rendering the required service in time; Not rendering the correct service; and Inadequate/ poor quality of performance.

Procurement Risk
Risks relating to material resources, possible aspects to consider include Availability of material; Costs and means of acquiring/ procuring resources; and the wastage of material resources; the Controls in place are transparency, identification of needs, development of specifications, contract documents, contract negotiation, contract management, evaluation of offers, identification preferred suppliers and selection of procurement methods e.g. NCB, ICB, single source.

People Capability Risk
Capability risks relate to the ability of our staff to deliver consistently high-quality services to all our clients. The Mitigating action is to Continue to recruit staff with the appropriate qualifications, skills, and experience and continue to implement a strategy for building capability. Our focus on learning and development assists staff in gaining the qualifications and skills necessary for their roles.

Liquidity Risk
Liquidity risk refers to the loss due to the lack of liquidity preventing quick or cost-effective liquidation products, positions or portfolios. The Fund does not face any liquidity risk as it has sufficient funds to cover its working capital needs for the foreseeable future.

Legal claims
Management certifies that as of 30. June 2024, the Fund had no contingent liability as regards legal claims.

Guarantees
The Fund has not guaranteed its employees against loans from various financial institutions, where the Fund will have to pay these financial institutions in case the employees are unable to repay their debts.

The approved budget is developed and approved on a Cash basis from 1 July 2023 to 30 June 2024 whereas the Financial Statements are prepared on an Accrual basis as per IPSAS 24 on the Presentation of Budget Information in Financial Statements.

Impairment of financial assets
The impairment of financial assets is calculated using the expected credit losses model. The Entity recognizes loss allowances {Expected Credit Losses (ECL)} on all financial assets except those that are measured at FVTSD and credit-impaired financial assets. National Water Fund uses the general approach in determining the impairment of Loan Receivables. A loss allowance is calculated at each reporting date. However, the ECL model is updated on an annual basis to accommodate any event that might cause a significant increase in credit risks on financial assets. The term 'expected credit loss' does not imply that losses are anticipated rather that

there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in the credit risk of the financial asset since initial recognition.

Loss allowances for ECL are presented in the statement of financial position as follows: Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets; Inputs into measurement of ECLs

The key inputs into the measurement of ECLs are the discounted product of the probability of default (PD), loss-given default (LGD), and exposure at default (EAD).

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Entity expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The Lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

Notes to the financial statements

	2023/24	2022/23
	TZS	TZS
16 - Interest on Loan and Bond		
Interest on Loan and Green Bond	34,598,630	0
	34,598,630	**0**
32 - Subvention from other Government entities		
Government Grant Personal Emolument	328,699,000	0
Subvention Capital	141,105,580,925	82,185,989,356
Subvention Other Charges	3,080,560,630	31,770,776,963
Receivables from Treasury	87,465,900,194	64,091,773,136
	231,980,740,749	**178,048,539,455**
34 - Wages, Salaries and Employee Benefits		
Civil Servants	328,699,000	0
Electricity Allowance	4,800,000	10,750,000
Extra-Duty	187,520,000	153,490,000
Food and Refreshment	23,338,784	28,084,430
Honoraria	175,908,616	50,000,000
Housing allowance Expenses	24,153,582	26,000,000
Leave Travel	9,645,000	7,845,300
Medical and Dental Refunds	3,068,500	300,000
Outfit Allowance	1,500,000	0
Sitting Allowance	70,430,000	26,532,100
Telephone Allowance	9,240,000	2,600,000
Uniform Allowance	0	9,227,366
	838,303,482	**314,829,196**
35 - Use of Goods and Service		
Advertising and publication	27,000,000	0
Advertising and Publication - Communication & Information	11,500,000	37,905,800
Air Travel Tickets Training - Domestic	21,900,500	713,500
Air Travel Tickets Training - Foreign	4,407,800	0
Air Travel Tickets Travel Out of Country	1,725,700	1,698,010
Catering Services	18,990,000	2,910,000
Communication Network Services	8,336,613	23,272,000
Computer Supplies and Accessories	6,148,000	4,360,000
Conference Facilities	45,891,351	40,530,000
Diesel	192,310,441	141,683,826

	2023/24	2022/23
Electricity - Utilities Supplies and Services	6,902,836	4,000,000
Entertainment - Hospitality Supplies and Services	37,000,000	13,500,000
Exhibition, Festivals and Celebrations	10,000,000	14,750,000
Food and Refreshments	150,135,700	109,874,970
Fumigation Expenses	1,500,000	0
Gifts and Prizes	0	1,100,000
Ground travel (bus, railway taxi, etc) Travel - In - Country	37,677,000	6,152,635
Internet and Email connections	24,758,209	27,885,086
News Services Fees	2,341,100	0
Office Consumables (papers, pencils, pens and stationaries)	15,975,472	20,134,700
Outsourcing Costs (includes cleaning and security services)	16,068,120	14,449,200
Per Diem - Domestic	1,584,988,038	699,177,884
Per Diem - Foreign	25,427,600	0
Posts and Telegraphs	0	465,000
Printing and Photocopy paper	2,880,000	13,970,000
Printing and Photocopying Costs	12,305,000	(3,093,000)
Remuneration of Instructors	7,900,000	12,600,000
Rent - Office Accommodation	162,000,000	0
Software License Fees	0	21,647,175
Subscription Fees	17,203,435	1,162,500
Telephone Charges (Land Lines)	1,166,461	7,730,460
Training Materials	4,900,000	10,575,000
Tuition Fees Training - Domestic	48,842,100	26,250,600
Tuition Fees Training - Foreign	13,550,000	0
Uniforms -Clothing, Bedding, Footwear and Services	6,638,000	6,500,000
Upkeep Allowances	3,909,798	0
Valuation of NCA	0	10,000,000
Water Charges	987,605	929,125
	2,533,266,878	**1,272,834,471**
36 - Maintenance Expenses		
Motor Vehicles and Water Craft	24,000,000	(23,297,622)
Outsource maintenance contract services - Buildings	3,543,323	0

	2023/24	2022/23
Spare Parts - Vehicles and Transportation Equipment	2,841,377	63,334,997
Tyres and Batteries	5,677,968	5,253,766
	36,062,668	**45,291,141**
52 - Other Expenses		
Audit fees Expenses	140,628,500	140,000,000
Audit supervision expenses	22,660,000	62,883,965
Burial Expenses	1,000,000	0
Consultancy fees	356,524,316	30,000,000
Director's Fee	43,000,000	0
Registration Fees Expenses	3,630,000	0
	567,442,816	**232,883,965**
58 - Subsidies		
ARUSHA WSSA (AUWSA)	2,200,000,000	1,300,000,000
BABATI WSSA (BAWASA)	2,478,412,922	1,831,884,000
BARIADI WSSA (BARUWASA)	0	250,000,000
Biharamulo WSSA	60,000,000	0
BUKOBA WSSA (BUWASA)	1,736,396,208	1,127,566,531
Bunda WSSA	722,318,955	200,000,000
Busega WSSA	897,546,697	0
Chunya WSSA	40,000,000	0
Dar es Salaam Water Supply Authority (DAWASA)	668,303,707	588,040,982
DODOMA WSSA (DUWASA)	3,443,694,729	2,619,272,583
Gairo WSSA	100,000,000	0
GEITA WSSA (GEUWASA)	789,945,984	1,510,876,811
Igunga WSSA	1,159,791,179	0
IRINGA WSSA (IRUWASA)	470,000,027	1,490,820,000
Kahama WSSA	200,000,000	0
Karatu WSSA	190,561,065	100,000,000
Kibaya WSSA	130,000,000	0
Kibondo WSSA	975,832,100	0
Kondoa WSSA	57,165,840	0
LINDI WSSA (LUWASA)	1,054,774,250	943,249,306
Liwale WSSA	400,000,000	0
Mafinga WSSA	200,000,000	0
Makambako WSSA	256,047,000	0
Manyoni WSSA	186,476,000	0
MBEYA WSSA (MBEYA UWSA)	3,263,706,978	3,140,319,683
Mbinga WSSA	51,935,296	0
Mbulu WSSA	200,000,000	0
MOROGORO WSSA (MORUWASA)	96,922,538	788,725,601
MOSHI WSSA (MUWSA)	100,000,000	3,899,999,987
MPANDA WSSA (MUWASA)	203,070,000	847,930,000

	2023/24	2022/23
MTWARA WSSA (MTUWASA)	394,224,420	550,000,000
Mugango Kiabakari WSSA	100,000,000	100,000,000
MUSOMA WSSA (MUWASA)	378,559,449	1,210,138,751
MWANZA WSSA(MWAUWASA)	1,700,000,000	1,110,000,000
Namanyere WSSA	400,000,000	0
Ngara WSSA	295,248,999	0
Nzega WSSA	150,000,000	0
Orkesument WSSA	680,555,020	0
Rombo WSSA	279,444,820	0
Sengerema WSSA	788,588,125	0
SHINYANGA WSSA (SHUWASA)	222,000,000	1,605,394,182
SINGIDA WSSA (SIUWASA)	0	931,478,598
Songe WSSA	130,000,000	0
Songea WSSA	602,627,774	0
SUMBAWANGA WSSA (SUWASA)	100,324,000	572,601,187
TABORA WSSA (TUWASA)	120,850,140	598,064,704
TANGA WSSA (TANGA UWASA)	4,751,714,554	131,463,720
Tunduma WSSA	990,885,010	0
Ushirombo WSSA	146,575,484	0
Vwawa-Mlowo Water Supply and Sanitation Authority	94,514,700	502,784,790
Wang'ingombe WSSA	500,000,000	0
Water Institute - WI	10,000,000	0
The Ministry of Water	34,061,585,319	12,435,341,017
Handeni Trunk Main (HTM) Water Authority	6,277,015,598	2,665,667,493
Internal Drainage Basin Water Board (IDBWB)	1,995,441,563	1,405,531,841
Kigoma Water Supply Authority (KUWASA(KG))	500,000,000	647,490,000
Lake Nyasa Basin Water Board	630,000,000	820,834,703
Lake Rukwa Basin Water Board	629,565,000	170,269,143
Lake Victoria Basin Water Board	2,172,509,566	4,426,654,795
Makonde National Project	253,200,165	407,447,150
Masasi Nachingwea Water Supply Authority (MANAWASA)	150,000,000	0
Ruvuma and Southern Coast Basin Water Board	754,431,307	866,873,082
Njombe Water Supply Authority (NJOWASA)	0	618,122,660
Pangani Basin Water Board	245,000,000	357,198,750
Rufiji Basin Water Board	411,260,000	1,535,393,758
Rural Water Supply and Sanitation Agency	56,782,436,679	55,206,410,531

	2023/24	2022/23
Wami Ruvu Basin Water Board	376,896,914	621,790,100
Water Basin Boards	0	1,406,335,889
Tanganyika Basin Water Board	673,681,183	739,574,565
	141,082,037,265	**112,281,546,892**
62 - Cash and Cash Equivalents		
Development Expenditure Cash Account	18,055,457,681	25,245,412,252
Recurrent Expenditure Cash Account	3,393,850	3,820,552
Unapplied Cash Account	114,081,489	0
	18,172,933,020	**25,249,232,804**
67 - Receivables		
Imprest Receivable - Staff	249,915,109	345,600,959
Other receivables	0	927,427,602
Receivable from Fuel levy	151,557,673,330	64,091,773,136
	151,807,588,439	**65,364,801,697**
68 - Loan Receivables		
Loan Interest Receivable	34,598,630	0
Loan to other third Parties	5,300,000,000	0
Provision for Expected Credit Loss	(50,972,629)	0
	5,283,626,001	**0**
69 - Prepayments		
Prepayment Consumables	0	5,594,305
Prepayments Assets - Monetary	2,400,000	121,969,000
	2,400,000	**127,563,305**
70 - Inventories		
Fuel	7,610,725	0
	7,610,725	**0**
85 - Government Securities		
Green Bonds Addition	1,000,000,000	0
Provision For Expected Credit Loss	(7,676,021)	0
	992,323,979	**0**
94 - Deposits		
Unapplied Deposit Account	114,081,489	0
	114,081,489	**0**

Note 77: Property, Plant and Equipment 2023/24

Descriptions	Cost/valuation				Accumulated Depreciation and Impairment				Carrying Value
	At 01-July-2023	Addition Monetary	Addition non-monetary	30-Jun-2024	01-Jul-2023	Charge during the year - Depreciation	Charge during the year - Impairment	30-June-2024	
Acquisition of land	128,678,243	0	0	128,678,243	0	0	0	0	128,678,243
Building (Container)	12,744,000	0	0	12,744,000	1,457,595	256,509	0	1,714,104	11,029,896
Computers and Photocopiers	138,913,186	0	0	138,913,186	67,822,775	12,135,193	0	79,957,968	58,955,216
Motor vehicles	719,019,043	0	121,968,999	840,988,042	371,617,933	62,036,522	0	433,654,455	407,333,587
Office equipment	158,185,692	13,848,960	0	172,034,652	81,173,196	12,093,490	0	93,266,685	78,767,967
Office Furniture and Fittings	100,086,274	3,894,000	0	103,980,274	57,566,129	9,041,818	0	66,607,947	37,372,327
	1,257,626,337	**17,742,960**	**121,968,999**	**1,397,338,397**	**579,637,629**	**95,563,532**	**0**	**675,201,161**	**722,137,236**

Note 77: Property, Plant and Equipment 2022/23

Descriptions	Cost/valuation				Accumulated depreciation				Carrying Value
	At 1 July 2023	Addition Monetary	Addition non-Monetary	30-Jun-2023	01-Jul-2022	Charge during the year - Depreciation	Charge during the year - Impairment	30-June-2023	
Acquisition of land	128,678,243	0	0	128,678,243	0	0	0	0	128,678,243
Building (Container)	12,744,000	0	0	12,744,000	1,186,200	289,395	0	1,475,595	11,268,405
Computers and photocopiers	138,913,186	0	0	138,913,186	46,808,584	21,014,191	0	67,822,775	71,090,408
Motor vehicles	564,150,227	0	154,868,816	719,019,043	282,003,119	89,614,813	0	371,617,932	347,401,111
Office Equipment	140,165,692	18,020,000	0	158,185,692	56,858,797	24,314,347	0	81,173,194	77,012,498
Office Furniture and Fittings	87,086,274	13,000,000	0	100,086,274	43,090,370	14,475,759	0	57,566,129	42,520,146
Total	**1,071,737,622**	**31,020,000**	**154,868,816**	**1,257,626,337**	**429,947,070**	**149,708,556**	**0**	**579,637,629**	**677,988,811**

Note 89: Payable and Accruals

Descriptions	Opening	Paid	Rejected	Addition	Balance
Staff Claims	767,900	0	0	9,035,000	9,802,900
Supplies of goods and services	140,320,723	0	0	234,458,754	374,779,477
Withholding tax	0	0	0	20,900	20,900
Total	**141,088,623**	**0**	**0**	**243,514,654**	**384,603,277**

Note 93: Deferred income

Descriptions	Opening	Increase in Deferred	Decrease in Deferred	Transfer to PMG	Transfer To Holding	Balance
Deferred Subvention Capital	24,925,880,802	150,548,498,020	152,059,399,394	0	0	23,414,979,428
Deferred Subvention Revenue	323,352,002	40,000	81,716,073	0	0	241,675,929
Development Deferred Income	0	156,476,110,744	156,476,110,744	0	0	0
Recurrent Deferred Income	0	3,212,793,230	3,212,793,230	0	0	0
Total	**25,249,232,804**	**310,237,441,994**	**311,830,019,440**	**0**	**0**	**23,656,655,357**

EXPLANATIONS OF THE DEFERRED INCOME

Descriptions	Reference Note	2023/24 (TZS)
Opening Balance	Note 93	**25,249,232,804**
Add: Grants received during the year	Statement of Cash Flows	143,963,772,199
Total Grants available for the year		**169,213,005,003**
Less: Amortized Grants	Statement of Cash Flows from Operating and Investing	145,740,071,983
Closing Balance		**23,656,655,357**

Note 95: ECL Calculations for Loans Issued

	Loan balance	Loan term (Months)	DPD	Interest	Staging	Final ECL [PD * LGD * EAD]
Loan 1 (Entity 1)	800,000,000	36	60	6%	2	**21,562,364**
Loan 2 (Entity 2)	1,500,000,000	60	30	6%	1	**9,803,422**
Loan 3 (Entity 3)	3,000,000,000	60	30	6%	1	**19,606,843**
Total	**5,300,000,000**					**50,972,629**

Details

LGD was assumed to be 100%

PD was calculated basing on the Moody's rating on the Government that stands at 6.19% for short term instruments and 16.67% for long term instruments.

EAD was calculated basing on the discounted total payment to date both principle and projected interests on the lifetime of the loan.

DPD<30days	Stage 1	12months payments to Date
DPD>30<90	Stage 2	Life time payment to Date
DPD>90	Stage 3	Life time payment to Date

ECL Calculations for a Bond

	Loan balance	Loan term (Months)	PMT	DPD	Interest	Staging	ECL
BOND	1,000,000,000	36	-	-	13.5%	1	**7,676,021**

LGD was assumed to be 100%

PD was calculated basing on the Moody's rating on the Government that stands at 6.19% for short term instruments and 16.67% for long term instruments.

EAD was calculated basing on the discounted total payment to date both principle and projected interests on the lifetime of the loan.

ECL CALCULATIONS FOR CASH AND CASH EQUIVALENTS

Data available,

1.Probability of default from B.O.T

2.Loss given default

3.Exposure at default TZS 18,172,933,020

4.Expected recovered Amount   TZS 18,172,933,020

ECL= Probability of default X Loss given default X Exposure at default

Where by,

Loss given default = 1- [Expected recovered Amount/ Exposure at default]

Loss given default = 1- {18,172,933,020/18,172,933,020}

Loss given default = 1-1

Loss given default = 0

ECL = 12 X 0 X 18,172,933,020

ECL for cash = 0

104. RELATED PARTY TRANSACTION

Related parties of the basis are the members of the Board of Directors and the Key Management Personnel of the Fund. Detail of allowances and other remuneration received by the related partyare indicated below:

Related Party Transactions	Amount	Amount
Description	**2023/24**	**2022/23**
	TZS	**TZS**
Board of Directors allowance	43,000,000.00	0
Management allowances	38,153,582.00	34,850,000.00
Total	**78,153,582.00**	**34,850,000.00**

Other Disclosure Notes:

i. During the financial year 2023/2024 NWF has started issuing loan to its Implementing Agencies as stated in Page 20 in Loan receivables

ii. During the year 2023/24 NWF purchased green bond of TZS 1,000,000,000 from Tanga WSSAas as stated in Page 20 and its interest was earned in October 2024.

iii. During the year 2023/24 NWF introduced the Board of Directors and its Committees, alsonumber of staff increased by five staff, this lead to increase in operation expenses.

iv. Cash and cash equivalent balances of NWF of TZS 18,172,933,020 is held at BOT accountnumber 9921189914. Commercial Bank account held at NMB is an Imprest account whichhad Zero balance at the end of the year, hence no any Expected credit loss (ECL) to be calculated as required by IPSAS 41 (Financial Instruments).

v. Note Number 68 with Loan interest receivable Addition of TZS 34,598,630 comprises with TZS 12,098,630 as accrued interest from loan and TZS 22,500,000 as accrued interest from purchasing green bond.

Reconciliation of actual amounts on a comparable basis and actual amounts in thefinancial statements

Description	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the Statement of Comparison of Budget and actual Amount.	143,841,806,271	5,300,000,000	1,020,142,960	150,161,949,231
Basis Differences	0	0	0	0
Timing Differences	N/A	N/A	N/A	N/A
Entity Differences	N/A	N/A	N/A	N/A
Actual amount in the Statement of Cash Flows.	143,841,806,271	5,300,000,000	1,020,142,960	150,161,949,231

Reconciliation of cash flow from operating activities vs surplus/(deficit)

Description	2023/24	2022/23
Surplus/ Deficit for the Period	86,804,014,088	63,751,445,234
Add/ (Less) Non-Cash Items:		
Accrued interest revenue	(34,598,630)	0
Expected Credit Loss from Loans Receivables	50,972,629	
Expected Credit Loss from Issued Bonds	7,676,021	
Depreciation of Property, Plant and Equipment	95,563,532	149,708,556
Add/ (Less) Change in Working Capital		
Deferred Income	(1,592,577,447)	3,222,038,621
Inventories	(7,610,725)	0
Other Receipt	114,081,489	846,250
Payables and Accruals	243,514,654	191,615,955
Prepayments	5,594,306	2,579,720
Receivables	(86,442,786,742)	(63,942,006,714)
Net Cash Flow from Operating Activities	**(756,156,824)**	**3,376,227,622**

Inter Entity Transactions

Payments made by the National Water Fund to other Government Entities

SN	NAME	AMOUNT (TZS)
1.	AUWSA Capital Account	5,000,000.00
2.	COLLEGE OF BUSSINESS EDUCATION	1,660,600.00
3.	COMMISSIONER FOR DOMESTIC REVENUE ILALA	3,432,633.68
4.	DAS PANGANI IMPREST ACCOUNT	5,000,000.00
5.	DAWASA	10,000,000.00
6.	DUWASA	16,916,146.80
7.	E GOVERNMENT AGENCY	8,246,612.50
8.	TEMESA	15,224,507.00
9.	GOVERNMENT PROCUREMENT SERVICES AGENCY	60,669,000.00
10.	INSTITUTE OF RURAL DEVELOPMENT PLANNING	1,000,000.00
11.	MINISTRY OF LANDS	695,723.00
12.	Ministry of Water	146,709,520.00
13.	National Audit Office	302,000,000.00
14.	PUBLIC PROCUREMENT REGULATORY AUTHORITY	15,299,993.00
15.	TANZANIA PUBLIC SERVICES COLLEGE	4,050,000.00
16.	TANZANIA TELECOMMUNICATIONS CORPORATION	40,284,522.82
17.	UNIVERSITY OF DAR ES SALAAM	5,000,000.00
18.	WATER INSTITUTE	135,583,939.10
	TOTAL	**776,773,197.9**

Payables to other Government Entities

NWF has payables to other entities as shown in the table below;

Entity	Descriptions	Balance
Tanzania Revenue Authority	Withholding tax payable	20,900
Total		**20,900**