***Issued on 30th September 2024***

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  | *(Insert the County Entity Logo)* |

**COUNTY GOVERNMENT OF XXX**

*(Indicate actual name of the County)*

CONSOLIDATED QUARTERLY REPORTS AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED SEPTEMBER/DECEMBER/MARCH/JUNE**

 **20XX**

**Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)**

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# Acronyms and Glossary of Terms

1. **Acronyms**

 *ADP Annual Development Plan*

*AIE Authority to Incur Expenditure*

*CA County Assembly*

*CARA County Allocation of Revenue Act*

*CBK* *Central Bank of Kenya*

*CECM County Executive Committee Member*

*CE County Executive*

*CG County Government*

*CIDP County Integrated Development Plan*

*COG Council of Governors*

*CRA Commission on Revenue Allocation*

*CRF County Revenue Fund*

*CT County Treasury*

*IPSAS International Public Sector Accounting Standards*

*MCA Member of County Assembly*

*OAG Office of the Auditor General*

*OCOB Office of the Controller of Budget*

*OSR Own Source Revenue*

*PFM Public Finance Management*

*PSASB Public Sector Accounting Standards Board*

*NT National Treasury*

*WB World Bank*

*KRB Kenya Roads Board*

*Kshs Kenya Shillings*

*FY Financial Year*

1. **Definition of Key Terms.**

*Example*

*Fiduciary Management The key management personnel who had financial responsibility*

*(This list is an indication of acronyms, abbreviations, and key terms; the County entity should include all acronyms and key terms from the annual report and financial statements prepared)*

# Key Entity Information and Management

 ***(County Executive’s)***

1. **Background information.**

The County Executive is constituted as per article 176 of the Constitution of Kenya 2010. It is headed by the Governor, who is responsible for the general policy and strategic direction of the County. The County Executive is comprised of the following departments:

| **No.** | **Department** | **Major Responsibility** |
| --- | --- | --- |
| 1. | Finance and Economic Planning | Management of County Treasury and Planning |
| 2. | Agriculture and Livestock and Fisheries |  |
| 3. |  |  |
| 4. |  |  |
| 5. |  |  |

1. **Key Management team**

The *County Executive’s* day-to-day management is under the following key organs:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | Governor | **-** |
| 2. | Deputy Governor | **-** |
| 3. | County Executive Committee Members | **-** |
| 4. | County Secretary | **-** |
|  | County Attorney |  |
|  |  |  |

1. **Fiduciary Management**

The key management personnel who held office during the period ended Sep/Dec/March/June 30th 20XX and who had direct fiduciary responsibility were: (***Include all the accounting officers of departments within the County)***

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | CECM Finance and Economic Planning | **-** |
| 2. | Accounting Officer-xx Department | **-** |
| 3. | Director/Head of Accounting | **-** |
| 4. | Director/ Head of Supply Chain | **-** |
| 5. | Others,,,, (specify) | **-** |

***(County Assembly)***

1. **Background information**

The County Assembly is constituted as per article 176 & 177 of the Constitution of Kenya 2010. It is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes xxx (*indicate the number*) Members of County Assembly (MCAs) elected/ nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, and playing the oversight role over the County Executive.

1. **Key Management Team**

The *entity’s* day-to-day management is under the following key organs:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | Speaker of the County Assembly | **-** |
| 2. | Clerk of the County Assembly | **-** |
| 3. | Head of Departments | **-** |
| 4. |  | **-** |

1. **Fiduciary Management**

The key management personnel who held office during the year ended *xxxx* and who had direct fiduciary responsibility were:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
|  | Accounting Officer- Clerk | **-** |
|  | Chief Finance Officer | **-** |
|  | Finance Director | **-** |
|  | Principal Accountant | **-** |

1. **Fiduciary Oversight Arrangements**

*Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

* *Audit and finance committee activities*
* *Parliamentary committee activities*
* *County Assembly*
* *Development partner oversight activities*

*(Provide a brief explanation on fiduciary activities undertaken during the financial year)*

1. **County Executive Headquarters**

XXX Building/House/Plaza

XXX Avenue/Road/Highway

P.O. Box XXXXX

**xxx (*Name of Town*), Kenya**

1. **County Executive Contacts**

Telephone: (254) XXXXXXXX

E-mail: xxxx@xxx.com

Website: [xxx.go.ke](http://www.go.ke)

1. **County Executive & Assembly Bankers**
2. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

1. Other Commercial Banks

***(List details of other commercial banks*)**

…

1. **Independent Auditor**

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**NAIROBI, KENYA**

1. **Principal Legal Advisers**
2. **The Attorney General**

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

**NAIROBI, KENYA**

1. **County Attorney/County Assembly Legal Advisor.**

*(List details of other County Attorneys/Legal advisors if any.)*

***(County Assembly)***

1. **Background information**
2. The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes xxx(indicate the number) Members of County Assembly (MCAs) elected/ nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.
3. **Principal Activities**

*The principal activity/mission/ mandate of the Entity is ……….*

1. *Legislation*
2. *Oversight*
3. *Represention*

*(Under this section quote your functions as derived from the establishing Act you may also include the Entity’s vision, mission and core objectives)*

1. **Key Management Team**

The *entity’s* day-to-day management is under the following key organs:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | Speaker of the County Assembly | **-** |
| 2. | Clerk of the County Assembly | **-** |
| 3. | Head of Departments | **-** |
| 4. | Xxx | **-** |

1. **Fiduciary Management**

The key management personnel who held office during the Period ended XXXXXX and who had direct fiduciary responsibility were:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
|  | Accounting Officer- Clerk | **-** |
|  | Chief Finance Officer | **-** |
|  | Finance Director | **-** |
|  | Principal Accountant | **-** |

1. **Fiduciary Oversight Arrangements**

*Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

* *Audit and finance committee activities*
* *Finance Committee*
* *Parliamentary (County Assembly & Senate) Oversight Committees*
* *Other oversight arrangements*
1. **Entity Headquarters.**

P.O. Box XXXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

XXX, KENYA

1. **Entity Contacts.**

Telephone: (254) XXXXXXXX

E-mail: xxxx@xxx.com

Website: [xxx.go.ke](http://www.go.ke)

1. **Entity Bankers**

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

**Other Banks *(state other bankers as appropriate)*** …

1. **Independent Auditor**

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**NAIROBI, KENYA**

1. **Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

**NAIROBI, KENYA**

1. **County Attorney/County Assembly Legal Advisor.**

*(List details of other County Attorneys/Legal advisor if any.)*

# Foreword by CECM Finance and Economic Planning

In addition, to the requirements of Section 163 (2) of the PFM Act 2012, the CECM-Finance and Economic should give a brief description of the following:

* 1. Functions of the County Government as per the County Government Act.
	2. Mention the budget performance against actual amounts for current year for the county government entity.
	3. Physical progress based on outputs, outcomes and impacts since establishment of County Government, (encouraged to use actual figures and percentages)
	4. Comment on each of the County flagship projects and how they have been achieved.
	5. Comment on value-for-money achievements,
	6. List the implementation challenges of strategic objectives for the County and the County’s outlook (here you could mention the budget allocation for the coming year and the projects that the County wishes to undertake in line with the County’s strategic plan).
	7. Highlight key risk management strategies applied by the County Executive.

|  |
| --- |
| **…………………………………………………..** |
| **CECM Finance and Economic Planning** |
| **County Government of XXX** |

# Management Discussion and Analysis

**(**Two- three pages)

*Under this section, the management gives a report on the operational and financial performance of the organisation for the last 3-5 years as per the guidance below.*

* *Entity’s key Programs/projects or investment decisions implemented or ongoing,*
* *Entity’s compliance with statutory requirements.*
* *Major risks facing the organisation.*
* *Material arrears in statutory and other financial obligations.*
* *Review of the economy and sector.*
* *Future developments*
* *Any other information considered relevant to the users of the financial statements.*

*(The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)*

# Statement of Management Responsibilities

Section 166 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the County Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee Member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Government’s financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the period ended xx, 20xx. This responsibility includes: (i)Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii)Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county government; (iii)Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv)Safeguarding the assets of the county government; (v) selecting and applying appropriate accounting policies; and (vi)Making accounting estimates that are reasonable in the circumstances.

The County Executive Committee Member for Finance and Economic Planning accepts responsibility for the County Government’s financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The County Executive Committee Member for Finance and Economic planning is of the opinion that the County Government’s financial statements gives a true and fair view of the state of the County Government’s transactions during the period ended xx, 20xx, and of its financial position as at that date.

The County Executive Committee Member for Finance and Economic Planning further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

The County Executive Committee Member for Finance and Economic planning confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government’s funds received during the quarter were used for the eligible purposes for which they were intended and were properly accounted for. Further the County Executive Committee Member confirms that the County Government’s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The County *entity’s* financial statements were approved and signed by the County Executive Committee Member on \_\_\_\_\_\_\_\_\_\_\_\_ 20xx.

|  |
| --- |
| **………………………………………………..** |
| **CECM – Finance and Economic Planning/** |
|  |

# Statement of Financial Performance for the Period Ended Sep/Dec/Mar/Jun xx June 20xx

|  | **Notes** | **Period ended** **Sep\*/ Dec\*/March\*/June\* 20xx** |
| --- | --- | --- |
|  |  | **Kshs** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |
| Exchequer releases | 6 | xx |
| Transfers from other government agencies | 7 | xx |
| Other grants | 8 | xx |
| Own Source Revenue  | 9a | xx |
| Miscellaneous Revenue | 10 | xx |
|  |  | **xx** |
| **Revenue** **from** **exchange** **transactions** |  |  |
| Own Source Revenue | 9b | xx |
| Other income | 11 | xx |
| **Total** **revenue** |  | **xxx** |
|  |  |  |
| **Expenses** |  |  |
| Employee costs | 12 | xx |
| Use of goods and services | 13 | xx |
| Transfers to other Government Entities | 14 | xx |
| Depreciation and amortization expense | 15 | xx |
| Other Grants and Subsidies | 16 | xx |
| Finance costs | 17 | xx |
| Social Benefits | 18 | xx |
| **Total** **expenses** |  | **xxx** |
| Gain/(loss) on sale of assets | 19 | xxx/(xxx) |
| Gain/Loss on Foreign Exchange  | 20 | xxx/(xxx) |
| Gain/Loss on fair value of investments | 21 | xxx |
| Impairment loss | 22 | (xxx) |
| **Surplus/Deficit for the period** |  | **xxx** |
| Taxation | 23 | xxx |
| **Net Surplus/Deficit** |  | **xxx** |

The notes set out on pages xxx to xxx form an integral part of these Financial Statements. The Financial Statements set out on pages xxx to xxx were signed by:

|  |  |  |
| --- | --- | --- |
| **………………………………** |  | **………………………………** |
| **Name:** |  | **Name:** |
| **Chief Officer, Finance** |  | **Director Accounting Services /CFO** |
|  |  | **ICPAK M/No………….** |

*Sep\* -This relates to transactions undertaken from 1st July to 30th September.*

*Dec\* - This relates to transactions undertaken from 1st July to 31st December.*

*March\*- This relates to transactions undertaken from 1st July to 31st March.*

*June\* - This relates to transactions undertaken from 1st July to 30th June*

*\*Comparative period relates to prior year same period of the report.*

*(Paragraph 79 of IPSAS 33 allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and pan opening statement of financial position as at the time of adoption of the accrual basis of accounting. In preparing these financial reporting template, this election has been made and therefore there are no comparatives in the first year of transition.)*

# Statement of Financial Position as at Sep/Dec/Mar/Mar/June xx 20xx

|  | **Notes** | ***Period ended Sep\*/ Dec\*/March\*/June\* 20xx*** | ***Opening Statement******1st July 20XX*** |
| --- | --- | --- | --- |
|  |  | **Kshs** | **Kshs** |
| **Assets** |  |  |  |
| **Current** **Assets** |  |  |  |
| Cash and Cash equivalents | 24 | xxx | xxx |
| Receivables from Exchange Transactions | 25 (a) | xxx | xxx |
| Receivables from Non-Exchange Transactions | 26 | xxx | xxx |
| Inventories | 27 | xxx | xxx |
| Prepayments | 28 | xxx | xxx |
| Current portion of investment | 29 | xxx | xxx |
| **Total Current Assets** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-Current** **Assets** |  |  |  |
| Receivables from Exchange Transactions | 25(b) | xxx | xxx |
| Non- Current portion of investments | 29 | xxx | xxx |
| Property, Plant and Equipment | 30 | xxx | xxx |
| Intangible Assets and goodwill | 31 | xxx | xxx |
| Investment Property | 32 | xxx | xxx |
| Right-of-use assets | 33 | xxx | xx |
| Biological Assets | 34 | xxx | xxx |
| Tangible Natural Resources | 35 | xxx | xxx |
| **Total Non- Current Assets** |  | **xxx** | **xxx** |
| **Total** **Assets (A)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Liabilities** |  |  |  |
| **Current** **Liabilities** |  |  |  |
| Trade and Other Payables  | 36 | xxx | xxx |
| Refundable Deposits and prepayments | 37 | xxx | xxx |
| Current Provision | 38 | xxx | xxx |
| Lease Liabilities | 39 | xxx | xxx |
| Deferred Income | 40 | xxx | xxx |
| Employee Benefit Obligation | 41 | xxx | xxx |
| Current Portion of Borrowings | 42 | xxx | xxx |
| **Total Current Liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-Current** **Liabilities** |  |  |  |
| Non-Current Provisions | 38 | xxx | xxx |
| Lease Liabilities | 39 | xxx | xxx |
| Deferred Income | 40 | xxx | xxx |
| Employee Benefit Obligation | 41 | xxx | xxx |
| Borrowings – Non-Current Portion | 42 | xxx | xxx |
| Service Concession Liability | 43 | xxx | xxx |
| **Total Non- Current Liabilities** |  | **xxx** | **xxx** |
| **Total** **Liabilities (B)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Net** **Assets (A-B)** |  | **xxx** | **xx** |
|  |  |  |  |
| **Represented By:** |  |  |  |
| Accumulated Surplus |  | xxx | xxx |
| Revaluation Reserve |  | xxx | xxx |
| Capital Fund |  | xxx | xxx |
| **Net Assets**  |  | **xxx** | **xxx** |

The financial statements set out on pages xxx to xxx were signed by:

|  |  |  |
| --- | --- | --- |
| **………………………………** |  | **………………………………** |
| **Name** |  | **Name** |
| **Chief Officer Finance** |  | **Director Accounting Services /CFO** |
|  |  | **ICPAK M/No………….** |

#  Statement of Changes in Net Assets for the Period Ended Sep/Dec/Mar/June XX 20xx

|  | **Accumulated Surplus** | **Revaluation Reserves** | **Capital Fund** | **Total** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **As at 30th June 2024 (cash basis)** | **xx** | **-** | **-** | **-** |
| Adjustments: (to recognize assets and liabilities) | xx/(xx) |  |  | xx |
| **As at July 1, 20xx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Surplus/ deficit for the period | xxx |  | xxx | xxx |
| Additions during the period |  | xxx | xxx | xxx |
| **As at Sep/Dec/March/ XX, 20xx** | **xxx** | **xxx** | **xxx** | **xxx** |

*Note:*

1. *For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.*
2. *Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.*
3. *Entities have liberty to add additional reserves as appropriate. For all reserves presented provide the nature and purpose.*

#  Statement of Cash Flows for the Period ended Sep/Dec/Mar/ June XX 20xx

|  | **Notes** | **Period ended Sep/Dec/Mar/Jun** |
| --- | --- | --- |
|  |  | **Kshs** |
| **Cash** **flows** **from** **operating** **activities** |  |  |
| **Receipts** |  |  |
| Exchequer releases |  | xxx |
| Transfers from other government agencies |  | xxx |
| Other grants |  | xxx |
| Own Source Revenue  |  | xxx |
| Miscellaneous Revenue |  | xxx |
| Other incomes |  |  |
| **Total receipts** |  | **xxx** |
| **Payments** |  |  |
| Employee costs |  | xxx |
| Use of goods and services |  | xxx |
| Transfers to other Government Entities |  | xxx |
| Other Grants and Subsidies |  | xxx |
| Finance costs |  | xxx |
| Social Benefits |  | xxx |
| **Total payments** |  | **xxx** |
| **Net** **cash** **flows** **from/(used in)** **operating** **activities**  | 44 | **xxx** |
|  |  |  |
| **Cash flows from investing activities** |  |  |
| Purchase of PPE  |  | (xxx) |
| Purchase Intangible assets |  | (xxx) |
| Proceeds from sale of PPE  |  | xxx |
| Proceeds from sale of Biological Assets |  | xxx |
| Purchase of investments |  | (xxx) |
| Sale of investments |  | xxx |
| **Net** **cash** **flows from/(used** **in)** **investing** **activities** |  | **xxx/(xxx)** |
|  |  |  |
| **Cash** **flows** **from** **financing** **activities** |  |  |
| Proceeds from borrowings |  | xxx |
| Repayment of borrowings |  | (xxx) |
| **Net cash flows from financing Activities** |  | **xxx** |
|  |  |  |
| **Net** **increase/(decrease)** **in** **cash** &**Cash equivalents** |  | **xxx** |
| Cash and cash equivalents at 1 July | 24 | xxx |
| **Cash** **and** **cash** **equivalents** **at** **3X Sep/Dec/March/June 20XX** | 24 | **xxx** |

*(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting)*

# Statement of Comparison of Budget and Actual Amounts for the Period Ended xx 20xx

**A) Recurrent and Development budgets Combined**

| **Receipt/expense item** | **Original budget** | **Adjustments** | **Final budget** | **Actual on comparable basis** | **Budget utilization difference** | **% of utilization** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **A** | **B** | **C=(a+b)** | **D** | **E=(c-d)** | **F=d/c \*100** |
| **Revenues** |  |  |  |  |  |  |
| Opening balance (Non-refundable special purpose accounts) | xx | xx | xx | xx | xx | x% |
| Exchequer releases | xx | xx | xx | xx | xx | x% |
| Transfers from other government agencies | xx | xx | xx | xx | xx | x% |
| Other grants | xx | xx | xx | xx | xx | x% |
| Own Source Revenue  | xx | xx | xx | xx | xx | x% |
| Miscellaneous Revenue | xx | xx | xx | xx | xx | x% |
| Other income | xx | xx | xx | xx | xx | x% |
| **Total revenues** | **xx** | **xx** | **xx** | **xx** | **xx** | **x%** |
|  |  |  |  |  |  |  |
| **Expenses** |  |  |  |  |  |  |
| Employee costs | xx | xx | xx | xx | xx | x% |
| Use of goods and services | xx | xx | xx | xx | xx | x% |
| Transfers to other Government Entities | xx | xx | xx | xx | xx | x% |
| Other Grants and Subsidies | xx | xx | xx | xx | xx | x% |
| Finance costs | xx | xx | xx | xx | xx | x% |
| Social Benefits | xx | xx | xx | xx | xx | x% |
| **Capital items** |  |  |  |  |  |  |
| Acquisition of PPE | xx | xx | xx | xx | xx | **x%** |
| Acquisition of Intangible assets | xx | xx | xx | xx | xx | **x%** |
| Purchase of investments | xx | xx | xx | xx | xx | **x%** |
| Repayment of borrowings | xx | xx | xx | xx | xx | **x%** |
| **Total expenses Development** | **xx** | **xx** | **xx** | **xx** | **xx** | **x%** |
| **Total Expenses** | **xx** | **xx** | **xx** | **xx** | **xx** | x% |
| **Surplus/ deficit** | **xx** | **xx** | **xx** | **xx** | **xx** | **x%** |

**Reconciliation table**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | ***Operating*** | ***Financing*** | ***Investing*** | ***total*** |
| ***Actual amounts on comparable basis presented in the budget and actual comparative statement*** | ***xx*** | ***xx*** | ***xx*** | ***xx*** |
| *Basis difference* | ***xx*** | ***xx*** | ***xx*** | ***Xx*** |
| *Timing differences* | ***xx*** | ***xx*** | ***xx*** | ***xx*** |
| *Entity differences* | ***xx*** | ***xx*** | ***xx*** | ***xx*** |
| *Classification differences* | ***xx*** | ***xx*** | ***xx*** | ***xx*** |
| ***Actual in the statement of cashflows*** | ***xx*** | ***xx*** | ***xx*** | ***xx*** |

***Budget Notes***

1. *Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14).*
2. *Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29).*
3. *Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis, classification, entity and timing differences provide a reconciliation.*

The County Consolidated financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |
| --- | --- |
| **………………………………………..** | **………………………………………….** |
| **Name:**  | **Name:**  |
| **Chief Officer - Finance**  | **Director Accounting Services /CFO** |
|  | **ICPAK Member Number....................** |

# Notes to the Financial Statements

1. **General Information**

xxx County is established by and derives its authority and accountability from The Constitution of Kenya 2010. The County is domiciled in Kenya and its principal activities are xxx.

1. **Statement of Compliance and Basis of Preparation**

**Statement of compliance**

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

These financial statements were authorized for issue by the Accounting Officer on xxx.

*Guiding note during the transition period:*

*The financial statements have been prepared in accordance with the Public Finance Management Act, and International Public Sector Accounting Standards (IPSAS) or the MDA has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements and* ***the following elements xxxx*** *of the financial statements have not been recognised as the MDA has taken advantage of the transition provisions outlined in IPSAS 33. (MDA to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).*

**Reporting period**

The reporting period for these financial statements is for the period ended xxxx.

**Basis of preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

**Notes to the financial statements**

**Critical accounting judgements**

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation to the entityfor an outflow of resources that results from a past event.Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgement is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The *entity* pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *entity* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *entity* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *entity’s* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

**Notes to the financial statements**

Climate change obligations

Kenya’s current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO2eq. Counties commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the entity as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

1. **Summary of Significant Accounting Policies**
2. **Revenue recognition**
3. **Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/Capital grants are recognized in the statement of financial performance after meeting revenue recognition criteria. Conditional grants are recognised as revenue upon fulfilment of the set conditions.

**ii) Revenue from exchange transactions**

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder’s or the Entity’s right to receive payments is established.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**Notes to the financial statements**

**Significant Accounting policies**

1. **Budget information**

The original budget for FY 20xx/xx was approved by the County Assembly on *xxxx*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the county upon receiving the respective approvals in order to conclude the final budget. Accordingly, the county recorded additional appropriations of *xxxx* on the 20xx/xx budget following the County Assembly’s approval. The County’s budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented under section *xxx* of these financial statements.

1. **Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an *xx-*year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**Notes to the financial statements**

**Significant Accounting policies**

1. **Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

1. **Right of use asset**

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

1. **Tangible Natural Resources**

The entity recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the entity; the entity controls the tangible natural resource as a result of past events; and The tangible natural resource can be measured reliably. Where this criterion is not met, the entity discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An entity shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

**Notes to the financial statements**

**Significant Accounting policies**

**Leases**

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the County. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The County also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the County will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

1. **Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

1. **Research and development costs**

The County expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the County can demonstrate:

1. The technical feasibility of completing the asset so that the asset will be available for use or sale;
2. Its intention to complete and its ability to use or sell the asset;
3. How the asset will generate future economic benefits or service potential;
4. The availability of resources to complete the asset;
5. The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**Notes to the financial statements**

**Significant Accounting policies**

1. **Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The county does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the County’s financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the county measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

* 1. **Financial assets**

**Classification of financial assets**

The county classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity’s management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless a County has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the County classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Notes to the financial statements**

**Significant Accounting policies**

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Impairment**

The county assesses, on a forward-looking basis, the expected credit loss (‘ECL’) associated with its financial assets carried at amortized cost and fair value through net assets/equity. The county recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note xx.

**Notes to the financial statements**

**Significant Accounting policies**

* 1. **Financial liabilities**

**Classification**

The county classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through surplus or deficit

1. **Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

1. Raw materials: purchase cost using the weighted average cost method.
2. Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *County.*

1. **Provisions**

Provisions are recognized when the County has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the County expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

1. **Contingent liabilities**

The County does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**Notes to the financial statements**

**Significant Accounting policies**

1. **Contingent assets**

The County does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset’s value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

1. **Nature and purpose of reserves**

The County creates and maintains reserves in terms of specific requirements. (County *to state the reserves maintained and appropriate policies adopted).*

1. **Changes in accounting policies and estimates**

The County recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

1. **Employee benefits**

 **Retirement benefit plans**

The *County* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which a County pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**Notes to the financial statements**

**Significant Accounting policies**

1. **Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

1. **Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

1. **Related parties**

The *County* regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *County Government*, or vice versa. Members of key management are regarded as related parties and comprise *the Governor, Deputy governor, County Secretary, County Executive Committee Members and Chief Officers, Speaker of the county assembly and, Clerk of the county Assembly, Directors and senior managers. (Entity to amend accordingly)*

1. **Service concession arrangements.**

The *County* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Countyrecognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than ’whole-of-life’ assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the County *also recognizes a corresponding liability, adjusted by a cash consideration paid or received.*

**Notes to the financial statements**

**Significant Accounting policies**

1. **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

1. **Comparative figures**

In preparing these financial statements, the entity has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

1. **Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx.

**Notes to the financial statements**

**Significant Accounting policies**

1. **Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the County's financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. *State all judgements, estimates and assumptions made:*

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The County based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the County. Such changes are reflected in the assumptions when they occur.

**Useful lives and residual value**

Th useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

1. The condition of the asset based on the assessment of experts employed by the Entity.
2. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
3. The nature of the processes in which the asset is deployed.
4. Availability of funding to replace the asset.
5. Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

***(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).***

1. **Revenue Transfers**

The following is an analysis by revenue type of the receipts collected in the County Revenue.

|  |  |
| --- | --- |
| **Description** | ***Period ended******Sep/Dec/March/June 20xx*** |
|  | **Kshs.** |
| Equitable Share  | xx |
| Others *(Specify)*  | **xx** |
| **Total**  | **xxx** |

1. **Transfers from other government agencies\*\***

| **Description** | ***Period ended******Sep/Dec/March/June 20xx*** |
| --- | --- |
|  | **Kshs.** |
| Road Maintenance Levy | xx |
| Development of Youth Polytechnics-State Department of TVETS | xx |
| User Fees Foregone -Ministry of Health | xx |
| World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health | xx |
| Word Bank-NARIGP-State Department of Crop Development | xx |
| World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development | xx |
| DANIDA Grant -Primary Health care in devolved context -Ministry of Health | xx |
| IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation | xx |
|  SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development | xx |
| Word Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development | xx |
| Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development | xx |
| UNFPA-9th County Programme Implementation -Ministry of Health | xx |
| EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution | xx |
| KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation | xx |
| IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development | xx |
| (IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of ….. | xx |
| **Total** | xx |

*\*\* These include other government grants released through other government entities such as the National Government MDAs.*

**Notes to the financial statements**

1. **Other grants\*\***

|  |  |
| --- | --- |
| **Description** | **period ended** **Sep/Dec/March/June 20xx** |
|  | **Kshs.** |
| Donor 1 *(Specify)* | xx |
| Donor 2 *(Specify)* | xx |
| Donor 3 *(Specify)* | xx |
| Others *(Specify)* | xx |
| **Total** | **xx** |

*\*\* These are funds received from development partners directly to the CRF.*

1. **Own Source Revenue**
2. **Own Source Revenue Categorized as non-exchange.**

|  |  |
| --- | --- |
| **Description** | **period ended** **Sep/Dec/March/June 20xx** |
|  | **Kshs.** |
| Cess | xx |
| Land Rates | xx |
| Single/Business Permits | xx |
| Conservancy Administration | xx |
| Administration Control Fees and Charges | xx |
| Other Fines, Penalties, And Forfeiture Fees | xx |
| Public Health Service Fees | xx |
| Physical Planning and Development | xx |
| Others *(Specify)* | xx |
| **Total** | **xx** |

1. **Own Source Revenue Categorized as exchange.**

|  |  |
| --- | --- |
| **Description** | **period ended** **Sep/Dec/March/June 20xx** |
|  | **Kshs.** |
| Property Rent | xx |
| Parking Fees | xx |
| Market Fees | xx |
| Advertising | xx |
| Hospital Fees | xx |
| Hire of County Assets | xx |
| Sale of assets  | xx |
| Park Fees | xx |
| Others *(Specify)* | xx |
| **Total** | **xx** |

*(The total of own source revenue should tally with disbursements from county receivers of revenue)*

**Notes to the financial statements**

1. **Miscellaneous Revenue**

|  |  |
| --- | --- |
| **Nature of Revenue** | **period ended Sep/Dec/March/June 20xx** |
| **Kshs** |
| In kind grants and donations | xxx |
| Refunds & Reimbursements | xxx |
| Revenues not classified anywhere else | xxx |
| **Total** | **xxx** |

1. **Other Incomes**

|  |  |
| --- | --- |
| **Description** | **period ended** **Sep/Dec/March/June 20xx** |
|  | **Kshs** |
| Insurance recoveries | xxx |
| Sale of tender documents | xxx |
| Services concession income | xxx |
| Other incomes not specified elsewhere | xxx |
| **Total** **other** **income** | **xxx** |

*(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified*).

1. **Employee Costs**

|  |  |
| --- | --- |
| **Description** | ***Period ended******Sep/Dec/March/June 20xx*** |
|  | **Kshs** |
| Basic salaries of permanent employees | xxx |
| Basic wages of temporary employees | xxx |
| Personal allowances – part of salary | xxx |
| Pension and other social security contributions | xxx |
| Employer contributions to compulsory national social security schemes | xxx |
| Employer contributions to compulsory national health insurance schemes | xxx |
| Employer contribution to compulsory housing scheme | xxx |
| Other social benefit schemes | xxx |
| Other personnel costs (*Specify*) | xxx |
| **Total** | xxx |

\* *Other employee related costs- please provide a brief explanation for these costs*

**Notes to the financial statements**

1. **Use of Goods and Services**

| **Description** | ***Period ended******Sep/Dec/March/June 20xx*** |
| --- | --- |
|  | **Kshs** |
| Utilities, supplies and services | xxx |
| Communication, supplies and services | xxx |
| Domestic travel and subsistence | xxx |
| Foreign travel and subsistence | xxx |
| Printing, advertising, and information supplies & services | xxx |
| Rentals of produced assets | xxx |
| Training expenses | xxx |
| Hospitality supplies and services | xxx |
| Insurance costs | xxx |
| Specialized materials and services | xxx |
| Other operating expenses *including bank Charges* | xxx |
| Office and general supplies and services | xxx |
| Fuel Oil and Lubricants | xxx |
| Routine maintenance – vehicles and other transport equipment | xxx |
| Routine maintenance – other assets | xxx |
| Others (specify) | xxx |

1. **Transfers to Other Government Entities**

|  |  |
| --- | --- |
| **Description** | ***Period ended******Sep/Dec/March/June 20xx*** |
|  | **Kshs** |
| Transfers to other County Government entities | xxx |
| Transfers to self-reporting projects | xxx |
| Transfers to car loan and mortgage schemes | xxx |
| Others (specify) | xxx |
| **Total**  | **xxx** |

1. **Depreciation and Amortization Expense**

|  |  |
| --- | --- |
| **Description** | ***Insert Current FY*** |
|  | **Kshs** |
| Property, plant and equipment | xxx |
| Intangible assets | xxx |
| Investment property carried at cost | xxx |
| **Total**  | **xxx** |

**Notes to the financial statements**

1. **Other Grants and Subsidies**

|  |  |
| --- | --- |
| **Description** | ***Period ended******Sep/Dec/March/******June 20xx*** |
|  | **Kshs** |
| Membership dues and subscriptions to international organizations | xxx |
| Scholarships and other educational benefits | xxx |
| Emergency relief and refugee assistance | xxx |
| Grants to small businesses, cooperatives, and self employed | xxx |
| Subsidies to Public entities | xxx |
| Subsidies to Private entities | xxx |
| **Total** **Grants** **and** **Subsidies** | **xxx** |

1. **Finance Costs**

|  |  |
| --- | --- |
| **Description** | ***Period ended******Sep/Dec/March/June 20xx*** |
|  | **Kshs** |
| Interest Payments on Guaranteed Debt Taken over by Govt | xxx |
| Interest on Domestic Borrowings (Non-Govt) | xxx |
| Interest on Borrowings from Other Government Units | xxx |
| Interest on bank overdrafts | xxx |
| Interest on loans from commercial banks | xxx |
| **Total** **finance** **costs** | **xxx** |

*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

1. **Social Benefits**

|  |  |
| --- | --- |
| **Description** | **Period ended****Sep/Dec/March/****June 20xx** |
| **Kshs** |
| Transfers to the elderly | xxx |
| Transfers to orphans | xxx |
| Transfers to the physically challenged | xxx |
| *Add any other category* | xxx |
| **Total** **social benefit expenses** | **xxx** |

**Notes to the financial statements**

1. **Gain/Loss on Sale of Assets**

|  |  |
| --- | --- |
| **Description** | ***Period ended******Sep/Dec/******March/June 20xx*** |
|  | **Kshs** |
| Property, plant and equipment | xxx |
| Intangible assets | xxx |
| Other assets not capitalised | xxx |
| **Total** **gain** **on** **sale** **of** **assets** | **xxx** |

1. **Gain/Loss on Foreign Exchange**

|  |  |
| --- | --- |
| **Description** | ***Period ended******Sep/Dec/March/June 20xx*** |
|  | **Kshs** |
| Gain or loss on foreign exchange transactions | xxx |
| Gain or loss on balances in foreign exchanges | xxx |
| **Total**  | **xxx** |

1. **Gain/Loss on Fair Value Investments**

|  |  |
| --- | --- |
| **Description** | ***Period ended******Sep/Dec/March/June 20xx*** |
|  | **Kshs** |
| Investments at Fair Value | xxx |
| **Total** **Gain** | **xxx** |

1. **Impairment Loss**

|  |  |
| --- | --- |
| **Description** | ***Period ended*** ***Sep/Dec/March/June 20xx*** |
|  | **Kshs** |
| Property, Plant and Equipment | xxx |
| Intangible Assets | xxx |
| **Total** **Impairment** **Loss** | **xxx** |

**Notes to the financial statements**

1. **Taxation**

|  |  |
| --- | --- |
| **Description** | **Period ended****Sep/Dec/March/June 20xx** |
| **Kshs** |
| Current income tax charge | xxx |
| Tax charged on rental income | xxx |
| Tax charged on interest income | xxx |
| Original and reversal of temporary differences | xxx |
| **Income tax expense reported in the statement of financial performance** | **xxx** |

1. **Cash and Cash Equivalents**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended** **Sep/Dec/March/June 20xx** | ***Opening Statement******1st July 20XX*** |
|  | **Kshs** | **Kshs** |
| Recurrent Account | xxx | xxx |
| Development Account | xxx | xxx |
| Deposits Account | xxx | xxx |
| Special Purpose Accounts | xxx | xxx |
| Other operating commercial accounts (*Specify*) | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

*(The amount should agree with the closing and opening balances as included in the statement of cash flows)*

**Notes to the financial statements**

**24 (a) Detailed Analysis of the Cash and Cash Equivalents**

|  |  | **Period ended** **Sep/Dec/March/June 20xx** | ***Opening Statement******1st July 20XX*** |
| --- | --- | --- | --- |
| **Financial Institution** | **Account number** | **Kshs** | **Kshs** |
| **Recurrent Accounts** |  |  |  |
| *CBK00001* | 1000xxxx | xxx | xxx |
| **Development Accounts** |  |  |  |
|  *CBK00002* | 1000xxxx | xxx | xxx |
| **Deposits Accounts** |  |  |  |
| *CBK00003* | 10000xxx | xxx | xxx |
| **Special Purpose Accounts** |  |  |  |
|  *CBK00004* | 10000xxx | xxx | xxx |
|  *CBK00005* | 10000xxx | xxx | xxx |
| **Other operating commercial accounts (*Specify*)** |  |  |  |
| *Cash on Hand* |  | xxx | xxx |
|  |  |  |  |
| **Total** |  | **xxx** | **xxx** |

1. **Receivables from Exchange Transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | ***Opening Statement******1st July 20XX*** |
|  | **Kshs** | **Kshs** |
|  Receivables |  |  |
| Other exchange debtors (*Specify*) | xxx | xxx |
| Less: impairment allowance | (xxx) | (xxx) |
| **Total** **receivables**  | **xxx** | **xxx** |
| 1. Current receivables
 | xxx | xxx |
| 1. Non-current receivables
 | xxx | xxx |
| **Total Receivables (a+b)** | **xxx** | **xxx** |

**Notes to the financial statements**

1. **Ageing analysis for Receivables from exchange transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | ***Opening Statement******1st July 20XX*** |
| **Kshs** | **Kshs** |
|  | **Current Period ended Sep/Dec/March/June 20xx** | **% of the total** | **Opening Balance** | **% of the total** |
| Less than 1 year | xxx | % | xxx | % |
| Between 1- 2 years | xxx | % | xxx | % |
| Between 2-3 years | xxx | % | xxx | % |
| Over 3 years | xxx | % | xxx | % |
| **Total (a+b)** | **xxx** | **%** | **xxx** | **%** |

1. **Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

|  |  |
| --- | --- |
| **Impairment allowance** | ***Period ended Sep/Dec/March/June 20xx*** |
|  | **Kshs** |
| At the beginning of the period. | xxx |
| Additional allowance during the period | xxx |
| Recovered during the period | (xxx) |
| Written off during the period. | (xxx) |
| At the end of the period. | **xxx** |

1. **Receivables from Non-Exchange Transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | ***Opening Statement******1st July 20XX*** |
| **Kshs** | **Kshs** |
| Receivables | xxx | xx |
| Other debtors (non-exchange transactions) | xxx | xxx |
| Less: impairment allowance | (xxx) | (xxx) |
| **Total** **receivables**  | **xxx** | **xxx** |
|  |  |  |
| **Ageing Analysis- Receivables from non-** **exchange transactions** | **Insert Current FY** | **% of the total** | **Opening Balance** | **% of the total** |
| Less than 1 year | xxx | % | xxx | % |
| Between 1-2 years | xxx | % | xxx | % |
| Over 3 years | xxx | % | xxx | % |
| **Total** | xxx | % | xxx | % |

**Notes to the financial statements**

1. **Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

|  |  |
| --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** |
|  | **KShs** |
| At the beginning of the year | xxx |
| Additional provisions during the year | xxx |
| Recovered during the year | (xxx) |
| Written off during the year | (xxx) |
| At the end of the year | **xxx** |

1. **Inventories**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended****Sep/Dec/March/****June 20xx** | **Opening Statement****1st July 20XX** |
|  | **Kshs** | **Kshs** |
| Goods held for distribution | xxx | xxx |
| Goods held for Sale | xxx | xxx |
| Others (*Specify*) | xxx | xxx |
| Less: allowance for impairment | (xxx) | (xxx) |
| **Total**  | **xxx** | **xxx** |

1. **Prepayments**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended.****Sep/Dec/March/June 20xx** | ***Opening Statement******1st July 20XX*** |
|  | **Kshs** | **Kshs** |
| Rent  | xxx | xxx |
| Insurance | xxx | xxx |
| Others (*Specify*) | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

**Notes to the financial statements**

1. **Investments**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Period ended Sep/Dec/March/June 20xx*** | ***Opening Statement******1st July 20XX*** |
|  | **Kshs** | **Kshs** |
| 1. **Investment in Treasury bills and bonds**
 |  |  |
| Financial institution |  |  |
| CBK | xxx | xxx |
| Sub- total | **xxx** | **xxx** |
| 1. **Investment with Financial Institutions/ Banks**
 |  |  |
| Bank x | xxx | xxx |
| Bank y | xxx | xxx |
| Sub- total | **xxx** | **xxx** |
| 1. **Equity investments (specify)**
 |  |  |
| Equity/ shares in Entity xxx | xxx | xxx |
| Sub- total | **xxx** | **xxx** |
| Grand total | **xxx** | **xxx** |
| **Analysed as:** |  |  |
| Current portion of Investment | **xx** | **xx** |
| Non-current portion of investment | **xx** | **xx** |

1. Movement of Equity Investments

|  |  |
| --- | --- |
|  | ***Period ended Sep/Dec/March/June 20xx*** |
|  | **Kshs** |
| At the beginning of the period | xxx |
| Purchase of investments in the period | xxx |
| Sale of investments during the period | (xxx) |
| Increase /(decrease ) in fair value of investments | xxx |
| At the end of the period | **xxx** |

**Notes to the financial statements**

1. Shareholding in other entities

For investments in equity share listed under note 29 above, list down the equity investments under the following categories.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of Entity where investment is held** | **No of shares** | **Nominal value of shares** | **Fair value of shares** | **Fair value of shares** |
|  | **Direct shareholding** | **Indirect shareholding** | **Effective shareholding** |  | ***Period ended Sep/Dec/******March/June 20xx*** | ***Opening Statement******1st July 20XX*** |
|  | **%** | **%** | **%** | **Kshs** | **Kshs** | **Kshs** |
| Entity A | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity B | xxx | xxx | xxx | xxx | xxx | xxx |
| Entity C | xxx | xxx | xxx | xxx | xxx | xxx |
|  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

**Notes to the financial statements**

1. **Property, Plant, and Equipment**

|  | **Land** | **Buildings** | **Motor vehicles** | **Infrastructure assets** | **Furniture and fittings** | **Computers & ICT Equipment** | **Heritage assets** | **Work in progress** | **Service concession assets** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Depreciation Rate** |  | **2-10%** | **10-16.67%** | **2-20%** | **12.5%** | **33.3%** | **x%** |  |  |  |
| **Cost** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Opening Bal as 1st July 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions | xxx | xxx | xxx | xxx | xxx | - | xxx | xxx | xxx | **xxx** |
| Disposals | (xxx) | (xxx) | - | (xxx) | - | - | (xxx) | (xxx) | (xxx) | **(xxx)** |
| Transfer/Adjustments | (xxx) | (xxx) | xxx | xxx | xxx | (xxx) | (xxx) | xxx | xxx | **(xxx)** |
| **As At xx Sep/Dec/Mar/Jun 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Depreciation And Impairment** |  |  |  |  |  |  |  |  |  |  |
| Depreciation for the period | - | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | - | - | **(xxx)** |
| Disposals | - | xxx | - | - | - | - | xxx | - | - | **xxx** |
| Impairment | - | (xxx) | (xxx) | (xxx) | - | - | (xxx) | - | - | **(xxx)** |
| Transfer/Adjustment | - |  | (xxx) | (xxx) | (xxx) | xxx | (xxx) | - | - | **xxx** |
| **As At xx Sep/Dec/Mar/Jun 20xx** | **-** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **-** | **-** | **xxx** |
| **Net Book Values** |  |  |  |  |  |  |  |  |  |  |
| **Opening Bal as at 1st July 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **As At xx, 20xx** | **xxx** | **xxx** | **Xxx** | **Xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

*(Include a brief description of WIP as a footer.)*

**Notes to the Financial Statements (Continued)**

**Valuation**

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on xxx.

**30 (b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows**:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cost** | **Accumulated Depreciation** | **NBV** |
|  | **Kshs** | **Kshs** | **Kshs** |
| Land | xxx | xxx | xxx |
| Buildings | xxx | xxx | xxx |
| Plant And Machinery | xxx | xxx | xxx |
| Motor Vehicles, Including Motorcycles | xxx | xxx | xxx |
| Computers And Related Equipment | xxx | xxx | xxx |
| Office Equipment, Furniture, And Fittings | xxx | xxx | xxx |
| **Total** | **xxx** | **xxx** | **xxx** |

Property plant and Equipment includes the following assets that are fully depreciated:

|  |  |  |
| --- | --- | --- |
|  | **Cost or valuation** | **Normal annual depreciation charge** |
| Plant and Machinery | xxx | xxx |
| Motor Vehicles including Motorcycles | xxx | xxx |
| Computers and Related Equipment | xxx | xxx |
| Office Equipment, Furniture And Fittings | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**Notes to the financial statements**

1. **Intangible assets and goodwill**

|  |  |
| --- | --- |
| **Description** | **Period ended Sep/Dec/March/****June 20xx** |
|  | **KShs** |
| **Cost/Opening balance at the beginning of the /Period** | xxx |
| Additions | xxx |
| Disposal | (xxx) |
| **At end of the Period** | xxx |
| Additions–internal development | xxx |
| Disposal | (xxx) |
| **At end of the Period** | xxx |
| **Amortization and impairment** |  |
| **At beginning of the Period** | xxx |
| Amortization | xxx |
| **At end of thePeriod** | xxx |
| Impairment loss | xxx |
| **At end of the Period** | xxx |
| **NBV** | **xxx** |

1. **Investment Property**

|  |  |
| --- | --- |
| **Description** | ***Period ended Sep/Dec/March/******June 20xx*** |
|  | **Kshs** |
| **Cost/Opening balance at the beginning of the year** | **xxx** |
| Additions | xxx |
| Disposal during the year | (xxx) |
| Depreciation | (xxx) |
| Impairment | (xxx) |
| **At end of the year** | **xxx** |

*(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).*

**Notes to the financial statements**

1. **Right of use assets**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Buildings** | **Plant** | **Equipment** | **Total** |
| **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Cost** |  |  |  |  |
| As at 1 July (Comparative period) | xxx | xxx | xxx | xxx |
| Additions | xxx | xxx | xxx | xxx |
| As at the end of the period (Comparative Period) | xxx | xxx | xxx | xxx |
| Additions | xxx | xxx | xxx | xxx |
| As at the end of the period (Current period) | **xxx** | xxx | xxx | xxx |
|  |  |  |  |  |
| **Accumulated Depreciation** |  |  |  |  |
| As at the end of the period (Comparative period) | xxx | xxx | xxx | xxx |
| Charge for the period | xxx | xxx | xxx | xxx |
| As at the end of the period (Comparative period)) | xxx | xxx | xxx | xxx |
| Charge for the period | xxx | xxx | xxx | xxx |
| As at the end of the period (Current period) | xxx | xxx | xxx | xxx |
|  |  |  |  |  |
| **Carrying Amount** |  |  |  |  |
| at the end of the period (Current period) | xxx | xxx | xxx | xxx |
| As at the end of the period (Comparative period) | xxx | xxx | xxx | xxx |

**Notes to the financial statements**

1. **Biological Assets**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Period ended*** ***Sep/Dec/March/******June 20xx*** | ***Opening Statement******1st July 20XX*** |
|  | **Kshs** | **Kshs** |
| Specify | xxx | xxx |
| Specify | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

1. **Tangible Natural Resources**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Sub- soil assets** | **Water** | **Wildlife** | **Total** |
|   | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Cost**  |   |   |   |   |
| As at 1 July 20xx  | xxx  | xxx  | xxx  | xxx  |
| Additions  | xxx  | xxx  | xxx  | xxx  |
| As at 30 Sept/Dec/ March/June 20xx  | xxx  | xxx  | xxx  | xxx  |
| **Accumulated Depreciation**  |   |   |   |   |
| As at 1 July 20xx  | xxx  | xxx  | xxx  | xxx  |
| Charge for the year  | xxx  | xxx  | xxx  | xxx  |
| As at 30 Sept/Dec/ March/June 20xx  | xxx  | xxx  | xxx  | xxx  |
| **Carrying Amount**  |   |   |   |   |
| As at 30 Sept/Dec/ March/June 20xx  | xxx  | xxx  | xxx  | xxx  |

**Notes to the financial statements**

1. **Trade and Other Payables**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | ***Opening Statement******1st July 20XX*** |
| **Kshs** | **Kshs** |
| Trade payables | xxx | xxx |
| Payments received in advance | xxx | xxx |
| Employee payables | xxx | xxx |
| Third-party payments | xxx | xxx |
| Other payables | xxx | xxx |
| **Total** **trade** **and** **other** **payables** | **xxx** | **xxx** |
|  |  |  |
| **Ageing analysis: (Trade and other payables)** | Period ended Sep/Dec/March/June 20xx | % of the Total | **Opening balance** | % of the Total |
| Under one year | xxx | % | xxx | % |
| 1-2 years | xxx | % | xxx | % |
| 2-3 years | xxx | % | xxx | % |
| Over 3 years | xxx | % | xxx | % |
| **Total (tie to above total)** | **xxx** |  | **xxx** |  |

1. **Refundable Deposits and Prepayments**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | ***Opening Statement******1st July 20XX*** |
| **Kshs** | **Kshs** |
| Customer deposits | xxx | xxx |
| Prepayments | xxx | xxx |
| Other deposits | xxx | xxx |
| **Total** **deposits** | **xxx** | **xxx** |
|  |  |  |
| **Ageing analysis: (Refundable deposits)** | Period ended Sep/Dec/March/June 20xx | % of the Total | **Opening****Balance** | % of the Total |
| **Under one year** | **xxx** | % | **xxx** | % |
| 1-2 years | xxx | % | xxx | % |
| 2-3 years | xxx | % | xxx | % |
| Over 3 years | xxx | % | xxx | % |
| **Total** | **xxx** |  | **xxx** |  |

**Notes to the financial statements**

1. **Provisions**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Leave provision** | **Gratuity****Provision** | **Other provision** | **Total** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Balance b/f** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additional provisions | xxx | xxx | xxx | xxx |
| Provision utilised | (xxx) | (xxx) | (xxx) | (xxx) |
| Change due to discount and time value for money | (xxx) | (xxx) | (xxx) | (xxx) |
| **Total provisions period end** | **xxx** | **xxx** | **xxx** | **xxx** |
| Current Provisions | xxx | xxx | xxx | xxx |
| Non-Current Provisions | xxx | xxx | xxx | xxx |

1. **Lease Liabilities**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Opening Statement****1st July 20XX** |
|  | **Kshs** | **Kshs** |
| **Balance at the beginning of the year** | **xxx** | **xxx** |
| Discount interest on lease liability | xxx | xxx |
| Paid during the period | (xxx) | (xxx) |
| **At end of the period** | **xxx** | **xxx** |

**Maturity Analysis**

|  |  |
| --- | --- |
| **Period**  | **Amount** |
| Year 1 | xxx |
| Year 2 | xxx |
| Year 3 | xxx |
| Year 4 | xxx |
| Year 5 and onwards | xxx |
| Less: unearned Interest | (xxx) |
|  | xxx |

**Notes to the financial statements**

**Analysed as:**

|  |  |
| --- | --- |
| **Description** | **Amount** |
| Current | xxx |
| Non- Current | xxx |
| **Total** | **xxx** |

1. **Deferred Income**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** | **Opening Statement****1st July 20XX** |
|  | **Kshs** | **Kshs** |
| National Government | xxx | xxx |
| International Funders | xxx | xxx |
| Public Contributions and Donations | xxx | xxx |
| **Total** **Deferred** **Income** | xxx | xxx |

*(Provide brief explanation*)

**The deferred income movement is as follows:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **National government** | **International funders** | **Public contributions and donations** | **Total** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Balance Brought Forward | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions for the Period | xxx | xxx | xxx | xxx |
| Transfers To Capital Fund | (xxx) | (xxx) | (xxx) | (xxx) |
| Transfers To Income Statement | (xxx) | (xxx) | (xxx) | (xxx) |
| Other Transfers | (xxx) | (xxx) | (xxx) | (xxx) |
| Balance Carried Forward | **xxx** | **xxx** | **xxx** | **xxx** |

**Analysed as:**

|  |  |
| --- | --- |
| **Description** | **Amount** |
| Current | xxx |
| Non- Current | xxx |
| **Total** | **xxx** |

**Notes to the financial statements**

1. **Employee Benefit Obligations**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Defined benefit plan** | **Post-employment medical benefits** | **Other Benefits** | **Period ended Sep/Dec/March/June 20xx** | **Opening Statement 1st July 20xx** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Current Benefit Obligation | xxx | xxx | xxx | xxx | xxx |
| Non-Current Benefit Obligation | xxx | xxx | xxx | xxx | xxx |
| **Total** **Employee Benefits Obligation** | xxx | xxx | xxx | xxx | xxx |

**Retirement benefit Asset/ Liability *(Applicable to Pensions)***

The Entity operates a defined benefit scheme for all full-time employees from July 1, 20XX. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers On this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep/Dec/****March/June 20xx** | **Opening Statement 1st July 20xx** |
|  |  |  |
| Discount Rates | x% | x% |
| Future Salary Increases | x% | x% |
| Future Pension Increases | x% | x% |
| Mortality (Pre- Retirement) | x% | x% |
| Mortality (Post- Retirement) | x% | x% |
| Withdrawals | xx | xx |
| Ill Health | xx | xx |
| Retirement | xx years | xx years |

**Notes to the financial statements**

**Recognition of Retirement Benefit Asset/ Liability**

1. Amounts recognised under other gains/ Losses in the statement of Financial Performance:

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep/Dec/March/June 20xx** | **Opening Statement 1st July 20xx** |
| **Description** | **Kshs** | **Kshs** |
| The return on defined plan assets | xxx | xxx |
| Actuarial gains/ losses arising from changes in demographic assumptions | xxx | xxx |
| Actuarial gains/ losses arising from changes in financial assumptions | xxx | xxx |
| Actuarial gains and losses arising from experience adjustments | xxx | xxx |
| Others (specify) | xxx | xxx |
| Adjustments for restrictions on the defined benefit asset | xxx | xxx |
| **Remeasurement of the net defined benefit liability (asset)** | xxx | xxx |

1. **Amounts recognised in the Statement of Financial Position**

|  |  |  |
| --- | --- | --- |
|  | ***Period ended Sep/Dec/March/June 20xx*** | ***Opening Statement 1st July 20xx*** |
| **Description** | **Kshs** | **Kshs** |
| Present value of defined benefit obligations(a) | xxx | xxx |
| Fair value of plan assets(b) | (xxx) | (xxx) |
| Funded status(=a-b) | **xxx** | **xxx** |
| Restrictions on asset recognised | xxx | xxx |
| Others | xxx | xxx |
| Net asset or liability arising from defined benefit obligation | **xxx** | **xxx** |

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity’s obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**Notes to the financial statements**

1. **Borrowings**

|  |  |
| --- | --- |
| **Description** | **Period ended Sep/Dec/March/June 20xx** |
|  |  |
| 1. **External borrowings**
 |  |
| Balance at beginning of the period | xxx |
| External borrowings during the period | xxx |
| Repayments of during the period | (xxx) |
| **Balance at end of the period** | xxx |
|  |  |
| 1. **Domestic borrowings**
 |  |
| Balance at beginning of the period | xxx |
| Domestic borrowings during theperiod  | xxx |
| Repayments during the period | (xxx) |
| **Balance at end of the Period** | xxx |
| **Balance at end of the period- domestic and** **External borrowings c = (a+b)** | xxx |

The analyses of both external and domestic borrowings are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep****/Dec/March/June 20xx** | **Opening Statement 1st July 20xx** |
|  | **Kshs** | **Kshs** |
| **External Borrowings** |  |  |
| Dollar Denominated Loan From ‘X Organisation’ | xxx | xxx |
| Sterling Pound Denominated Loan From ‘Y Organisation’ | xxx | xxx |
| Euro Denominated Loan from Z Organization’ | xxx | xxx |
| **Domestic Borrowings** |  |  |
| Kenya Shilling Loan From KCB | xxx | xxx |
| Kenya Shilling Loan from Barclays Bank | xxx | xxx |
| Kenya Shilling Loan from Consolidated Bank | xxx | xxx |
| **Total /Balance at end of The Period** | **xxx** | **xxx** |

**Notes to the financial statements**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/****March/June 20xx** | **Opening Statement****1st July 20xx** |
|  | **Kshs** | **Kshs** |
| Short Term Borrowings (Current Portion) | xxx | xxx |
| Long Term Borrowings | xxx | xxx |
| Total | **xxx** | **xxx** |

*(NB: the total of this statement should tie to note 41 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).*

1. **Service Concession Arrangements Liability**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep/Dec/March/****June 20xx** | **Opening Statement 1st July 20xx** |
|  | **Kshs** | **Kshs** |
| Fair value of service concession assets recognized under PPE | xxx | xxx |
| Accumulated depreciation to date | (xxx) | (xxx) |
| Net carrying amount | **xxx** | **xxx** |
| Service concession liability at beginning of the period | xxx | xxx |
| Service concession revenue recognized | (xxx) | (xxx) |
| Service concession liability at end of the period | **xxx** | **xxx** |

**Notes to the financial statements**

1. **Cash Generated from Operations**

|  | **Period ended Sep/Dec/March/June 20xx** |
| --- | --- |
|  |  |
| **Surplus for the year before tax** | xxx |
| **Adjusted for:** |  |
| Depreciation | xxx |
| Non-cash grants received | (xxx) |
| Contributed assets | (xxx) |
| Impairment | xxx |
| Gains and losses on disposal of assets | (xxx) |
| Contribution to provisions | xxx |
| Contribution to impairment allowance | xxx |
| **Working capital adjustments** |  |
| Increase in inventory | (xxx) |
| Increase in receivables | (xxx) |
| Increase in deferred income | xxx |
| Increase in payables | xxx |
| Increase in payments received in advance | xxx |
| **Net cash flow from operating activities** | xxx |

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

**Notes to the financial statements**

1. **Ultimate And Holding Entity**

The Entity ultimate parent is the Government of Kenya.

1. **Currency**

The financial statements are presented in Kenya Shillings (Kshs).

#  Appendix

**Appendix 1: Status of Project Completion**

*(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Project** | **Total project Cost** | **Total expended to date** | **Completion % to date** | **Budget** | **Actual**  | **Sources of funds** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**Appendix II: Transfers from Other Government Entities**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of the MDA/Donor Transferring the funds** |  |  |  | **Where Recorded/recognized** |  |
| **Date received as per bank statement** | **Nature: Recurrent/Development/Others** | **Total Amount - KES** | **Statement of Financial Performance** | **Deferred Income** | **Receivables** | **Others - must be specific** | **Total Transfers during the Year** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

**Appendix III: Reporting of Climate Relevant Expenditures**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Project Name** | **Project Description** | **Project Objectives** | **Project Activities** |  | **Source Of Funds** | **Implementing Partners** |
|  |  |  |  | **Q1** | **Q2** | **Q3** | **Q4** |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

**Appendix IV: Disaster Expenditure Reporting Template**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Column I | Column II | Column III | Column IV | Column V | Column VI | Column VII |
| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**Appendix V: Statement of Financial Performance for Each Quarter**

| **Description** | **Notes** | **Quarter 1** | **Quarter 2**  | **Quarter 3**  | **Quarter 4** | **Cumulative\*\*** | **Comparative Period** |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |  |  |  |  |
| Exchequer releases | 6 | xxx | xxx | xxx | xxx | xxx | xxx |
| Transfers from other government agencies | 7 | xxx | xxx | xxx | xxx | xxx | xxx |
| Other grants | 8 | xxx | xxx | xxx | xxx | xxx | xxx |
| Own Source Revenue  | 9a | xxx | xxx | xxx | xxx | xxx | xxx |
| Miscellaneous Revenue | 10 | xxx | xxx | xxx | xxx | xxx | xxx |
|  |  | **xxx** | xxx | xxx | xxx | xxx | **xxx** |
| **Revenue** **from** **exchange** **transactions** |  |  |  |  |  |  |  |
| Own Source Revenue | 9b | xxx | xxx | xxx | xxx | xxx | xxx |
| Other income | 11 | xxx | xxx | xxx | xxx | xxx | xxx |
| **Total** **revenue** |  | xxx | xxx | xxx | xxx | xxx | xxx |
| **Expenses** |  | xxx | xxx | xxx | xxx | xxx | xxx |
| Employee costs | 12 | xxx | xxx | xxx | xxx | xxx | xxx |
| Use of goods and services | 13 | xxx | xxx | xxx | xxx | xxx | xxx |
| Transfers to other Government Entities | 14 | **xxx** | xxx | xxx | xxx | xxx | **xxx** |
| Depreciation and amortization expense | 15 |  |  |  |  |  |  |
| Other Grants and Subsidies | 16 | xxx | xxx | xxx | xxx | xxx | xxx |
| Finance costs | 17 | xxx | xxx | xxx | xxx | xxx | xxx |
| Social Benefits | 18 | xxx | xxx | xxx | xxx | xxx | xxx |
| **Total** **expenses** |  | xxx | xxx | xxx | xxx | xxx | xxx |
| Gain/(loss) on sale of assets | 19 | xxx | xxx | xxx | xxx | xxx | xxx |
| Gain/Loss on Foreign Exchange  | 20 | xxx | xxx | xxx | xxx | xxx | xxx |
| Gain/Loss on fair value of investments | 21 | xxx | xxx | xxx | xxx | xxx | xxx |
| Impairment loss | 22 | xxx | xxx | xxx | xxx | xxx | xxx |
| **Surplus/Deficit for the period** |  | **xxx** | xxx | xxx | xxx | xxx | **xxx** |
| Taxation | 23 |  |  |  |  |  |  |
| **Net Surplus/Deficit** |  | xxx | xxx | xxx | xxx | xxx | xxx |