**Revised Template 30th June 2021**



**COUNTY GOVERNMENT OF XXX**

**XXX FUND/BOARD**

*(Indicate actual name of the County and Fund)*

QUARTERLY REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED**

**SEPTEMBER/DECEMBER/MARCH/ JUNE 30, 20XX**

**Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)**

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# KEY ENTITY INFORMATION AND MANAGEMENT

1. **Background information**

xxx Fund is established by and derives its authority and accountability from xxx Act *(state the Act establishing the County Public Fund)* on xxx *(insert date)*. The Fund is wholly owned by the County Government of XXX and is domiciled in Kenya.

The fund’s objective is to ….

The Fund’s principal activity is xxx….

***(Include any other information relevant to the users of financial information on the background of the Public Fund)***

1. **Principal Activities**

The principal activity/mission/ mandate of the Fund is to …

*(Under this section you may include the fund’s vision, mission and core objectives)*

1. **Board of Trustees/Fund Administration Committee**

|  |  |  |
| --- | --- | --- |
| **Ref** | **Position** | **Name** |
|  | Chairman of the Board |  |
| 1 | Chief Officer (*Responsible department*) |  |
| 2 | Chief Officer finance |  |
| 3 | Other trustees/Committee Members |  |
| 4 | Fund Manager/ Administrator  |  |

***(****This section will be applicable for Public Funds that have a Board of Trustees/Fund Administration Committee. Input names of all the members who held office during the period)*

1. **Key Management**

|  |  |  |
| --- | --- | --- |
| **Ref** | **Position** | **Name** |
| 1 | Fund Manager/ Administrator |  |
| 2 | Fund Accountant |  |

*(Include all positions regarded as top management for the Fund).*

1. **Fiduciary Oversight Arrangements**

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

|  |  |  |
| --- | --- | --- |
| **Ref** | **Position** | **Name** |
| 1 | Directorate Internal Audit |  |
| 2 |  |  |
| 3 |  |  |

1. **Registered Offices**

P.O. Box XXXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

**NAIROBI, KENYA**

1. **Fund Contacts**

Telephone: (254) XXXXXXXX

E-mail: xxx.com

Website: xxx.go.ke

1. **Fund Bankers**
2. Other Commercial Banks

…

...

…

*(List the bank details where the fund has accounts)*

1. **Independent Auditors**

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

Harambee Avenue

P.O. Box 40112

City Square 00200

**NAIROBI, KENYA**

# MANAGEMENT DISCUSSION AND ANALYSIS

Two- three pages

*(Under this section, the management gives a report:*

1. On the operational and financial performance of the Fund/Board during the period,
2. Entity’s key projects or investments decision implemented or ongoing,
3. Fund’s compliance with statutory requirements,
4. Major risks facing the Fund, material arrears in statutory and other financial obligations, and
5. 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’S RESPONSIBILITIES

Section 166 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Administrator of a County Public Fund established by *(The Fund should state the appropriate legislation establishing the Fund)* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the period ended ***Sept/ Dec/ March/June 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 fund; 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 fund; v) selecting and applying appropriate accounting policies; and vi)Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *(quote the applicable legislation establishing the County Public Fund).* The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the period ended ***Sept/ Dec/ March/June xx 20xx*** and of the Fund’s financial position as at that date.

**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES (Continued)**

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund*’s* financial statements were approved by the Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20xx and signed on its behalf by:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name:**

**Administrator of the County Public Fund**

# FINANCIAL STATEMENTS

## **STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED XX XXX 202X**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  |  | **KShs** | **KShs** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |
| Public contributions and donations | 1 | xxx  | xxx  |
| Transfers from the County Government | 2 | xxx  | xxx  |
| Fines, penalties and other levies | 3 | xxx | xxx |
|   |  | **xxx**  | **xxx**  |
| **Revenue** **from** **exchange** **transactions** |  |   |   |
| Interest income | 4 | xxx  | xxx  |
| Other income | 5 | xxx  | xxx  |
|   |  | **xxx** | **xxx**  |
| **Total** **revenue** |  | **xxx**  | **xxx**  |
| **Expenses** |  |   |   |
| Fund administration expenses | 6 | xxx  | xxx |
| General expenses | 7 | xxx  | xxx  |
| Finance costs | 8 | xxx  | xxx  |
| **Total** **expenses** |  | **xxx**  | **xxx**  |
| **Other gains/losses** |  |  |  |
| Gain/loss on disposal of assets | 9 |  |  |
| **Surplus/( deficit)** **for** **the** **period** |  | **xxx**  | **xxx**  |

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

**Notes:**

***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 the same period prior year e.g quarter 1 compared against quarter 1 prior year.***

## **STATEMENT OF FINANCIAL POSITION AS AT XX XXX 202X**

|  | **Note** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Prior Year** **Audited** |
| --- | --- | --- | --- |
|  |  | **KShs** | **KShs** |
| **Assets** |  |  |  |
| **Current** **assets** |  |   |   |
| Cash and cash equivalents | 10 | Xxx | xxx |
| Current portion of long- term receivables from exchange transactions | 11 | Xxx | xxx |
| Receivables from Non- Exchange Transactions | 12 | Xxx | xxx |
| Prepayments | 13 | Xxx | xxx |
| Inventories | 14 | Xxx | xxx |
|   |  | **xxx**  | **xxx**  |
| **Non-current** **assets** |  |   |   |
| Long term receivables from exchange transactions | 11 | Xxx | xxx |
| Property, plant and equipment | 15 | Xxx | xxx |
| Intangible assets | 16 | Xxx | xxx |
|   |  | **Xxx** | **xxx** |
| **Total** **assets** |  | **Xxx** | **xxx** |
| **Liabilities** |  |   |   |
| **Current** **liabilities** |  |   |   |
| Trade and other payables from exchange transactions | 17 | Xxx | xxx |
| Provisions  | 18 | Xxx | xxx |
| Current portion of borrowings | 19 | Xxx | xxx |
| Employee benefit obligations | 20 | Xxx | Xxx |
|   |  | Xxx | Xxx |
| **Non-current** **liabilities** |  |   |   |
| Long term portion of borrowings | 19 | Xxx | Xxx |
| Non-current employee benefit obligation | 20 | Xxx | Xxx |
| **Total** **liabilities** |  | **Xxx** | **Xxx** |
|   |  |  |  |
| **Net** **assets** |  | **Xxx** | **Xxx** |
| Revolving Fund |  | Xxx | Xxx |
| Reserves |  | Xxx | Xxx |
| Accumulated surplus |  | Xxx | Xxx |
| **Total** **net** **assets** **and** **liabilities** |  | **Xxx** | **Xxx** |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 2021and signed by:

**Administrator of the Fund Fund Accountant**

**Name: Name:**

 **ICPAK Member Number:**

**Notes:**

***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.***

***\* Prior year figures should be the audited figures of the previous financial statements for all quarters***

## **STATEMENT OF CHANGES IN NET ASSETS AS AT XX XXX 202X**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **Revolving Fund** | **Revaluation** **Reserve** | **Accumulated surplus** | **Total** |
|   |  | **KShs**  | **KShs**  | **KShs**  |
|   |  |   |   |   |
| **Balance as at 1 July xxx\*\*** | xxx | xxx  | xxx  | xxx  |
| Surplus/(deficit) for the year | Xxx\* | - | xxx  | xxx  |
| Funds received during the year | xxx | - | - | Xxx |
| Revaluation gain | - | xxx | - | Xxx |
| **Balance** **as** **at** xx xx 20xxx | **xxx** | **xxx**  | **xxx**  | **xxx**  |
|  |  |  |  |  |
| **Balance** **as** **at** xx xx 20xxx | **xxx** | **xxx**  | **xxx**  | **xxx**  |
| Surplus/(deficit) for the period |  | - | xxx  | xxx  |
| Funds received during the period | xxx | - | - | xxx |
| Revaluation gain | - | xxx | - | xxx |
| **Balance** **as** **at** **30 Sept/Dec/March/June 20xx** | **xxx** | **xxx**  | **xxx**  | **xxx**  |

**(Provide details on the nature and purpose of reserves)**

***Xxx\*: Where its explicit in the Fund Regulations that interest earned should form part of the revolving fund, then this interest should be included in the statement of changes in net assets under this section and not part of interest income in the statement of financial performance.***

***\*\* The comparatives should be for the previous year full year in order to tie with the balance sheet.***

## **STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED XX XX 202X**

|  | **Note** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **Prior period audited** |
| --- | --- | --- | --- |
|  |  | **KShs** | **KShs** |
| **Cash** **flows** **from** **operating** **activities** |  |  |  |
| **Receipts** |  |   |   |
| Public contributions and donations |  | xxx  | xxx  |
| Transfers from the County Government |  | xxx  | xxx  |
| Interest received |  | xxx  | xxx  |
| Receipts from other operating activities |  | xxx  | xxx  |
| **Total Receipts** |  | **xxx**  | **xxx**  |
| **Payments** |  |   |   |
| Fund administration expenses |  | xxx  | xxx  |
| General expenses |  | xxx  | xxx  |
| Finance cost |  | xxx  | xxx  |
| **Total Payments** |  | **xxx**  | **xxx**  |
| **Net** **cash** **flows** **from** **operating** **activities**  |  | **xxx**  | **xxx**  |
|  |  |  |  |
| **Cash flows from investing activities** |  |   |   |
| Purchase of property, plant, equipment and intangible assets |  | (xxx) | (xxx) |
| Proceeds from sale of property, plant and equipment |  | xxx  | xxx  |
| Proceeds from loan principal repayments |  | xxx | xxx |
| Loan disbursements paid out |  | (xxx) | (xxx) |
| **Net** **cash** **flows** **used** **in** **investing** **activities** |  | **(xxx)** | **(xxx)** |
|  |  |  |  |
| **Cash** **flows** **from** **financing** **activities** |  |   |   |
| Proceeds from revolving fund receipts |  | xxx | xxx |
| Additional borrowings |  | xxx | xxx |
| Repayment of borrowings |  | (xxx) | (xxx) |
| **Net** **cash** **flows** **used** **in** **financing** **activities** |  | **(xxx)** | **(xxx)** |
| **Net** **increase/(decrease)** **in** **cash** **and** **cash equivalents** |  | **xxx**  | **(xxx)** |
| Cash and cash equivalents at 1 JULY | 10 | xxx  | xxx  |
| **Cash** **and** **cash** **equivalents** **at** **30 JUNE** | 10 | **xxx**  | **xxx**  |

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation. The above illustration assumes direct method)

**Notes:**

***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.***

***\* Prior year figures should be the audited figures of the previous financial statements for all quarter***

## **STATEMENT OF COMPARISON OF BUDGET** **AND ACTUAL AMOUNTS FOR PERIOD ENDED XX XX 202X**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|   | **Original** **budget** | **Adjustments** | **Final** **budget** | **Actual** **on comparable basis (Sept/Dec/****Mar/June)**  | **% utilization.** |
|   | **20xx** | **20xx** | **20xx** | **20xx** | **20xx** |
|  | **a** | **b** | **C=a+b** | **d** | **E=d/c** |
| **Revenue** | **KShs**  | **KShs**  | **KShs**  | **KShs**  |  |
| Public contributions and donations | xxx  | (xxx) | xxx  | xxx  |  |
| Transfers from County Govt. |  |  |  |  |  |
| Interest income | xxx  | - | xxx  | xxx  |  |
| Other income | xxx  | - | xxx  | xxx  |  |
| **Total** **income** | **xxx**  | **(xxx)** | **xxx**  | **xxx**  |  |
|  |  |  |  |  |  |
| **Expenses** |   |   |   |   |  |
| Fund administration expenses | xxx  | - | xxx  | xxx  |  |
| General expenses | xxx  | (xxx) | xxx  | xxx  |  |
| Finance cost | xxx  | (xxx) | xxx  | xxx  |  |
| **Total** **expenditure** | **xxx**  | **(xxx)** | **xxx**  | **xxx**  |  |
| **Surplus** **for** **the** **period** | **xxx**  | **xxx**  | **xxx**  | **xxx**  |  |

**Budget notes**

1. *Provide explanation of differences between actual and budgeted amounts (10% over/ under) 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(budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*
4. *Actual comparative relate to cumulative figures per quarter.*

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. **Statement of compliance and basis of preparation**

The Fund’s financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

1. **Revenue recognition**
2. **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.

1. **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.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. **Budget information**

The original budget for FY 20xx/20xx was approved by the County Assembly on xxxx (Date). 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 entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of xxxxx (Amount) on xxxx (Date) the FY 20xx/20xx budget following the governing body’s approval.

The entity’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 sing 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 financial performance has been presented under section xxx of these financial statements.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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. **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.

**Financial Instruments**

**Financial assets**

1. **Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

1. **Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

1. **Impairment of financial assets**

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. The debtors or a entity of debtors are experiencing significant financial difficulty
2. Default or delinquency in interest or principal payments
3. The probability that debtors will enter bankruptcy or other financial reorganization
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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:

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 Entity.

1. **Provisions**

Provisions are recognized when the Entity 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 Entity 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.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contingent liabilities**

The Entity 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.

**Contingent assets**

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. **Employee benefits – Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity 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.

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.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. **Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors/ Trustee, the Fund Managers and Fund Accountant.

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 ***(Remove if not applicable)*** and at various commercial banks at the end of the period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the period.

1. **Comparative figures**

 Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

1. **Events after the reporting period**

There were no material adjusting and non- adjusting events after the reporting period**.**

1. **Ultimate and Holding Entity**

The entity is a County Public Fund established by xxx Act *(state the legislation establishing the Fund*) under the Department of xxx. Its ultimate parent is the County Government of XXX.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. **Currency**

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

1. **Significant judgments and sources of estimation uncertainty**

The preparation of the Entity'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: e.g

**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 Entity based its assumptions and estimates on parameters available when the consolidated 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Useful lives and residual values**

The 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 xxx.

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)*

## **NOTES TO THE FINANCIAL STATEMENTS**

1. **Public contributions and donations**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Donation from development partners | xxx | Xxx |
| Contributions from the public | xxx | Xxx |
| **Total** | **xxx** | **Xxx** |

(Provide brief explanation for this revenue)

1. **Transfers from County Government**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| **Transfers** from County Govt. – operations | xxx | xxx |
| Payments by County on behalf of the entity | xxx | xxx |
| **Total** | **xxx** | **xxx** |

1. **Fines, penalties and other levies**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Late payment penalties | xxx | xxx |
| Fines | xxx | xxx |
| **Total** | **xxx** | **xxx** |

(Provide brief explanation for this revenue)

**NOTES TO THE FINANCIAL STATEMENTS(Continued)**

1. **Interest income**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Interest income from Mortgage loans | xxx | xxx |
| Interest income from car loans | xxx | xxx |
| Interest income from investments | xxx | xxx |
| Interest income on bank deposits | xxx | xxx |
| **Total** **interest income** | **xxx** | **xxx** |

(**Provide brief explanation for this revenue)**

1. **Other income**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Insurance recoveries | xxx | xxx |
| Income from sale of tender documents | xxx | xxx |
| Miscellaneous income | xxx | xxx |
| **Total** **other** **income** | **xxx** | **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. **Fund administration expenses**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Staff costs (Note 6a) | xxx | xxx |
| Loan processing costs | xxx | xxx |
| Professional services costs | xxx | xxx |
| Administration fees | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS(Continued)**

 **6A. Staff costs**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Salaries and wages | xxx | xxx |
| Staff gratuity | xxx | xxx |
| Staff training expenses | xxx | xxx |
| Social security contribution | xxx | xxx |
| Other staff costs | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

***N/B The total amount under staff costs has been included in note 6 as part of Fund Administration Expenses chiefly because most funds do not have separate employee but rather the cost would relate to allowances drawn in line fund administration.***

1. **General expenses**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Consumables | xxx | xxx |
| Electricity and water expenses | xxx | xxx |
| Fuel and oil costs | xxx | xxx |
| Insurance costs | xxx | xxx |
| Postage | xxx | xxx |
| Printing and stationery | xxx | xxx |
| Rental costs | xxx | xxx |
| Security costs | xxx | xxx |
| Telecommunication | xxx | xxx |
| Bank Charges | xxx | xxx |
| Hospitality | xxx | xxx |
| Depreciation and amortization costs | xxx | xxx |
| Other expenses | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. **Finance costs**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Interest on Bank overdrafts | xxx | xxx |
| Interest on loans from banks | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

1. **Gain/(loss) on disposal of assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs**  |
| Property, plant and equipment | xxx | xxx |
| Intangible assets | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

1. **Cash and cash equivalents**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| Xxx Car loan account | xxx | xxx |
| Xxx County mortgage account | xxx | xxx |
| Fixed deposits account | xxx | xxx |
| On – call deposits | xxx | xxx |
| Current account | xxx | xxx |
| Others | xxx | xxx |
| **Total** **cash** **and** **cash** **equivalents** | **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 (Continued)**

**Detailed analysis of the cash and cash equivalents are as follows:**

|  |  | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
| --- | --- | --- | --- |
| **Financial institution** | **Account number** | **KShs** | **KShs**  |
| 1. **Fixed deposits account**
 |  |  |  |
| Kenya Commercial bank |  | xxx | xxx |
| Equity Bank, etc |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
|  |  |  |  |
| 1. **On - call deposits**
 |  |  |  |
| Kenya Commercial bank |  | xxx | xxx |
| Equity Bank - etc |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
|   |  |   |   |
| 1. **Current account**
 |  |   |   |
| Kenya Commercial bank |  | xxx | xxx |
| Bank B |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
|   |  |   |   |
| 1. **Others(specify)**
 |  | xxx | xxx |
| Cash in transit |  | xxx | xxx |
| Cash in hand |  | xxx | xxx |
| M Pesa |  | xxx | xxx |
| **Sub- total** |  | **xxx** | **xxx** |
| **Grand total** |  | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. **Receivables from exchange transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| **Current Receivables** |  |  |
| Interest receivable | xxx | Xxx |
| Current loan repayments due | xxx | Xxx |
| Other exchange debtors | xxx | Xxx |
| Less: impairment allowance | (xxx) | (xxx) |
| **Total Current receivables** |  |  |
|  |  |  |
| **Non-Current receivables** |  |  |
| Long term loan repayments due | xxx | xxx |
| **Total Non- current receivables** | **xxx** | **xxx** |
| **Total** **receivables from exchange transactions** | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11a) Additional disclosure on interest receivable**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| **Interest receivable** |  |  |
| Interest receivable from current portion of long-term loans of previous years | Xxx | Xxx |
| Accrued interest receivable from of long-term loans of previous years | Xxx | Xxx |
| Interest receivable from current portion of long-term loans issued in the current year | Xxx | Xxx |
| **Current loan repayments due** |  |  |
| Current portion of long-term loans from previous period | Xxx | Xxx |
| Accrued principal from long-terms loans from previous periods | Xxx | Xxx |
| Current portion of long-term loans issued in the current period | Xxx | Xxx |
| 1. **Receivables from Non-Exchangetransaction**
 |  |  |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| Transfer from County Executive | Xxx | xxx |
| Transfer from XXXX Fund | Xxx | xxx |
| **Total** **receivables from non-exchange transactions** | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. **Prepayments**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| Prepaid rent | xxx | xxx |
| Prepaid insurance | xxx | xxx |
| Prepaid electricity costs | xxx | xxx |
| Other prepayments(specify) | xxx | xxx |
| **Total**  | **xxx** | **xxx** |

1. **Inventories**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| Consumable stores | xxx | xxx |
| Spare parts and meters | xxx | xxx |
| Catering | xxx | xxx |
| Other inventories(specify) | xxx | xxx |
| **Total** **inventories** **at** **the** **lower** **of** **cost** **and** **net** **realizable** **value** | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. **Property, plant and equipment**

|  | **Land and** **Buildings** | **Motor vehicles** | **Furniture and fittings** | **Computers and** **office equipment** | **Total** |
| --- | --- | --- | --- | --- | --- |
| **Cost** | **KShs** | **KShs** | **KShs**  | **KShs**  | **KShs**  |
| **At 1st July 20xx** | **xxx** | **Xxx** | **xxx** | **xxx** | **xxx** |
| Additions during the year | xxx | Xxx | xxx | **-** | **xxx** |
| Disposals during the year | (xxx) | (xxx) | **-** | **-** | **(xxx)** |
| Transfers/adjustments | xxx | (xxx) | **xxx** | (xxx) | **(xxx)** |
| **At 30th June 20xx** | **xxx** | **Xxx** | **xxx** | **xxx** | **xxx** |
| **At 1st July 20xx** |  |  |  |  |  |
| Additions during the period | xxx | Xxx | xxx | - | **xxx** |
| Disposals during the period | (xxx) | - | - | - | **(xxx)** |
| Transfer/adjustments during the period | (xxx) | Xxx | xxx | (xxx) | **(xxx)** |
| **At 30th Sept/Dec/ March/June 20xx** | **xxx** | **Xxx** | **xxx** | **xxx** | **xxx** |
| **Depreciation and impairment** |  |  |  |  |  |
| At 1st July 20xx | (xxx) | (xxx) | (xxx) | (xxx) | **(xxx)** |
| Depreciation during the year | (xxx) | (xxx) | (xxx) | (xxx) | **(xxx)** |
| Impairment during the year | (xxx) | - | - | - | **(xxx)** |
| **At 30th June 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **At 1st July 20xx** |  |  |  |  |  |
| Depreciation during the period | (xxx) | (xxx) | (xxx) | - | **(xxx)** |
| Disposals during the period | xxx | - | - | - | **xxx** |
| Impairment during the period | (xxx) | (xxx) | - | - | **(xxx)** |
| Transfer/adjustment during the period | xxx | (xxx) | (xxx) | xxx | **xxx** |
| **At 30th Sept/Dec/ March/June 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Net book values** |  |  |  |  |  |
| **At 30th June 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **At 30th Sept/Dec/ March/June 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

\*Prior year figures should be stated in full in order to tie to the balance sheet. Current year figures to be show for the period of the report.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. **Intangible assets-software**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| **Cost** |  |  |
| **At beginning of the year** | xxx | xxx |
| Additions during the period | xxx | xxx |
| **At end of the period****(Sept, Dec, March,Jun)** | **xxx** | **xxx** |
| **Amortization and impairment** |  |  |
| **At beginning of the year** | xxx | xxx |
| Amortization for the period | xxx | xxx |
| **At end of the period****(Sept, Dec, March,Jun)** | xxx | xxx |
| Impairment loss | xxx | xxx |
| **At end of the period****(Sept, Dec, March,Jun)** | **xxx** | **xxx** |
| **NBV (Cost- Dep- Impairment)** | **xxx** | **xxx** |

1. **Trade and other payables from exchange transactions**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| Trade payables | xxx | xxx |
| Refundable deposits | xxx | xxx |
| Accrued expenses | xxx | xxx |
| Other payables | xxx | xxx |
| **Total** **trade** **and** **other** **payables** | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. **Provisions**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Leave provision** | **Bonus provision** | **Other provision** | **Total** |
|  | **KShs** | **KShs** | **KShs** | **KShs**  |
| Balance at the beginning of the year | xxx | xxx | xxx | xxx |
| Additional Provisions for the period | xxx | xxx | xxx | xxx |
| Provision utilised for the period | (xxx) | (xxx) | (xxx) | (xxx) |
| Change due to discount and time value for money | (xxx) | (xxx) | (xxx) | (xxx) |
| Transfers from non -current provisions | xxx | xxx | xxx | xxx |
| **Balance at the end of the period (Sept/ Dec/ Mar/June** | **xxx** | **xxx** | **xxx** | **xxx** |

1. **Borrowings**

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| **Balance at beginning of the year** | **xxx** | **xxx** |
| External borrowings during the period/year | xxx | xxx |
| Domestic borrowings during the period/year | xxx | xxx |
| Repayments of external borrowings during the period/year | (xxx) | (xxx) |
| Repayments of domestics borrowings during the period/year | (xxx) | (xxx) |
| **Balance at end of the period (Sept/Dec/March/June)** | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The table below shows the classification of borrowings into external and domestic borrowings:

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| **External Borrowings** |  |  |
| Dollar denominated loan from ‘xxx organisation’ | xxx | xxx |
| Sterling Pound denominated loan from ‘yyy organisation’ | xxx | xxx |
| Euro denominated loan from zzz organisation’ | 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 |
| Borrowings from other government institutions | xxx | xxx |
| **Total balance at end of the period/year** | **xxx** | **xxx** |

The table below shows the classification of borrowings long-term and current borrowings:

|  |  |  |
| --- | --- | --- |
| **Description** | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
| Short term borrowings(current portion) | xxx | xxx |
| Long term borrowings | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. **Employee benefit obligations**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Defined benefit plan** | **Post employment medical benefits** | **Other Provisions** | **Total** |
|  | **KShs** | **KShs** | **KShs** | **KShs**  |
| Current benefit obligation | xxx | Xxx | xxx | xxx |
| Non-current benefit obligation | xxx | Xxx | xxx | xxx |
| **Total** **employee benefits obligation** | xxx | Xxx | xxx | xxx |

1. **Cash generated from operations**

|  |  |  |
| --- | --- | --- |
|  | **Period ended Sep****\*/Dec\*/****March\*/June\* 20xx**  | **Prior Period****Audited** |
|  | **KShs** | **KShs**  |
|  **Surplus/ (deficit) for the period before tax** | **xxx** | **xxx** |
| **Adjusted for:** |  |  |
| Depreciation  | xxx | xxx |
| Amortisation | xxx | xxx |
| Gains/ losses on disposal of assets | (xxx) | (xxx) |
| Interest income | (xxx) | (xxx) |
| Finance cost | xxx | xxx |
| **Working Capital adjustments** |  |  |
| Increase in inventory | (xxx) | (xxx) |
| Increase in receivables | (xxx) | (xxx) |
| Increase in payables | xxx | xxx |
| **Net cash flow from operating activities** | **xxx** | **xxx** |

***(The total of this statement should tie to the cash flow section on net cash flows from operating activities)***

## **APPENDIX I: INTER-ENTITY TRANSFERS**

|   | **ENTITY NAME:** |   |
| --- | --- | --- |
|   | **Break down of Transfers from the County Executive of xxx County Government** |
|   | **FY 2020/2021** |   |   |   |
| a. | Recurrent Grants | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
|   |   |   | xx |   |
|   |   |   | xx |   |
|   |   |   | xx |   |
|   |   | **Total** | **XXX** |   |
| b. | Development Grants | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
|   |   |   | xx |   |
|   |   |   | xx |   |
|   |   |   | xx |   |
|   |   | **Total** | **XXX** |   |
| c. | Direct Payments | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
|   |   |   | xx |   |
|   |   |   | xx |   |
|   |   |   | xx |   |
|   |   | **Total** | **XXX** |   |

The above amounts have been communicated to and reconciled with the parent Ministry.

Finance Manager Head of County Treasury at

XXX entity/Fund xxx County

Sign --------------- Sign--------------

## **APPENDIX 2: STATEMENT OF FINANCIAL PERFORMANCE PER QUARTER**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Quarter 1** | **Quarter 2** | **Quarter 3** | **Quarter 4** | **Cumulative** **Amount** | **\*Comparative** **Period 20xx** |
|  | **KShs** | **KShs** | **KShs** | **KShs** |  | **KShs** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |  |  |  |  |
| Public contributions and donations | xxx  | xxx  | xxx  | xxx  | xxx  | xxx  |
| Transfers from the County Government | xxx  | xxx  | xxx  | xxx  | xxx  | xxx  |
| Fines, penalties and other levies | xxx | xxx | xxx | xxx | xxx | xxx |
|   | **xxx**  | **xxx**  | **xxx**  | **xxx**  | **xxx**  | **xxx**  |
| **Revenue** **from** **exchange** **transactions** |   |   |   |   |   |   |
| Interest income | xxx  | xxx  | xxx  | xxx  | xxx  | xxx  |
| Other income | xxx  | xxx  | xxx  | xxx  | xxx  | xxx  |
|   | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx**  |
| **Total** **revenue** | **xxx**  | **xxx**  | **xxx**  | **xxx**  | **xxx**  | **xxx**  |
| **Expenses** |   |   |   |   |   |   |
| Fund administration expenses | xxx  | xxx  | xxx  | xxx  | xxx  | xxx |
| General expenses | xxx  | xxx  | xxx  | xxx  | xxx  | xxx  |
| Finance costs | xxx  | xxx  | xxx  | xxx  | xxx  | xxx  |
| **Total** **expenses** | **xxx**  | **xxx**  | **xxx**  | **xxx**  | **xxx**  | **xxx**  |
| **Other gains/losses** |  |  |  |  |  |  |
| Gain/loss on disposal of assets |  |  |  |  |  |  |
| **Surplus/(deficit)** **for** **the** **period** | **xxx**  | **xxx**  | **xxx**  | **xxx**  | **xxx**  | **xxx**  |