

GOVERNMENT OF THE REPUBLIC OF UGANDA



[Kiryandongo District Local Government]

Reports and Financial Statements for the Year Ended 30th June `2017

**Government of the Republic of Uganda
Kiryandongo District Local Government
Financial Statements for the year ended 30th June 2017**

STATEMENT OF RESPONSIBILITIES OF THE ACCOUNTING OFFICER

The financial statements set out on pages 9 to 37 have been prepared in accordance with the provisions of the Public Finance Management Act, 2015 (the Act). The financial statements have been prepared on the modified cash basis of accounting and comply with the generally accepted accounting practice for the public sector. Under the modified cash basis of accounting, only financial assets and liabilities are recognized and presented in these financial statements in order to meet the requirements of the Act.

In accordance with the provisions of Section 45 and Schedule 5 of the Public Finance Management Act, 2015, and the Local Government Act, I am responsible for and personally accountable to Parliament for the activities of the vote to which I am the accounting officer. Further, I am responsible for the regularity and proper use of the money appropriated to the vote to which I am the Accounting Officer. I am also responsible for authorizing any commitments made by the vote and for controlling resources received, held or disposed of by or on account of the vote. Finally, I am responsible for putting in place effective systems of risk management and internal control in respect to all resources and transactions of the vote.

Section 45 (3) of the Act require the Accounting Officer to enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a financial year.

Sections 50 and 51 of the Act respectively require me to prepare and submit half-yearly financial statements of my vote to the Secretary to the Treasury, and also to prepare and submit annual financial statements of my vote to the Auditor General for audit and to the Accountant General within two months after the end of each financial year.

Accordingly, I am pleased to report that I have complied with these provisions in all material respects and I am also pleased to submit the required financial statements in compliance with the Act. I have provided, and will continue to provide all the information and explanations as maybe required in connection with these financial statements.

To the best of my knowledge and belief, these financial statements agree with the books of account, which have been properly kept.

I accept responsibility for the integrity and objectivity of these financial statements, the financial information they contain and their compliance with the Public Finance Management Act, 2015.

.....
Accounting Officer [Names & Signature]

.....
Date

**Government of the Republic of Uganda
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GENERAL INFORMATION ABOUT THE REPORTING ENTITY

PRINCIPAL ACTIVITY OF THE VOTE

The district is mandated under Schedule 2 of the LG Act Chapter 243 stipulates the functions and services for which the district council is mandated.

The district council is mandated under the Local Governments Financial and Accounting Regulations, 2007 part vi – accounting and controls, section 68, sub section 1, to keep proper books of accounts and other records in relation to them and shall balance its accounts for that year and produce statements of *final accounts* at end of each financial year in accordance with the public finance and accountability act, 2003.

KEY PERFORMANCE HIGHLIGHTS.

During the FY 2016/2017, Kiryandongo District undertook significant outputs in line with the national policy guidelines which include payment of monthly salaries to all Local government staff including health workers and teachers as well as supporting staff for long and short term training programmes under capacity building Grant. Budget formulation and implementation, monitoring and evaluation, revenue mobilization and collection, preparation of periodic books of accounts, quarterly audit reports, final performance contract form B's and quarterly budget performance reports have all been achieved under administration, finance, statutory bodies, planning and internal audit.

Construction of phase 111 of the District administration offices was embarked on with funding from DDEG.

Provide where applicable a graphical or pictorial illustration of major outputs e.g

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Rear view of the Third phase of District Administration Block, Funded under PRDP ,Local, DDEG.



Front view of Third Phase of the District Administration Block Funded under PRDP , Local and DDEG.

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Risk Management Practice and Internal Control

Internal control systems in Kiryandongo District Local Government

A system of Internal Checks, exists in Kiryandongo District Local Government whereby the actions of one staff member are checked on by another (in what is called Segregation of duties), however there are challenges in the IFMS system controls that need training and strengthen the controls.

The custody of assets is separate from their record keeping for example, and as well authorization of transaction is separated from recording of the same transaction in the accounting books. And this control has enhanced identification of some irregularities thus guarding against risk in financial control weaknesses.

Regular Independent verifications by Internal Audit staff for example, on assets with accounting documents and carrying out bank reconciliations all provide assurances services to the council.

Procurement of significant items have to be authorized by the District Local Government Contracts Committee and the chief executive.

Audit ensures that suitable documents are available to capture all the transactions of the Local Government. They are simple and complete followed in order to avoid mistakes. They are usually pre-numbered for proper accountability purposes, as per Audit and accounting Manuals

Employment of honest and capable employees is another control measure in terms of qualification and experience.

Through review on the functionality of laid down Internal controls there is a good environment to ensure the following:

- Reliability and integrity of information
- Economic and efficient use of resources
- Safe guarding of council assets
- Compliance with policies, plans procedures laws and regulation especially in meeting timelines.

The local Government public Accounts Committee (LGPAC) is now fully functional and the backlog of both Internal Audit and Auditor General Reports for the Financial Years 2014/2015 and 2015/2016is now being reviewed by DLGPAC.

All in all there has been steady progress in implementing audit and Parliamentary PAC recommendations.

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Staff Payroll

Below is a summary list of the employees under the vote for the year ended 30th June 2017 .

| Salary scale | Number of Employees at the beginning of the year 1st July 2016 | New employees to the vote either through transfers or through recruitment | Number of employees transferred / retired/deceased | Number of Employees at the end of the year 31 st March 2017 |
|-----------------|---|--|---|--|
| Specified scale | 14 | 0 | 0 | 14 |
| U1S | 00 | 0 | 0 | 00 |
| U1SE | 00 | 0 | 0 | 00 |
| U1E | 08 | 0 | 0 | 08 |
| U2 | 06 | 02 | 0 | 08 |
| U3 | 20 | 01 | 03 | 18 |
| U4 | 142 | 6 | 01 | 147 |
| U5 | 156 | 8 | 01 | 163 |
| U6 | 68 | 0 | 0 | 68 |
| U7 | 873 | 38 | 05 | 906 |
| U8 | 123 | 0 | 01 | 122 |
| Total | 1410 | 55 | 11 | 1454 |

Also annexed to this report (**Annex i**) is the Pension Payroll for the financial year ended 2016/2017

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ACTION ON PARLIAMENTARY RECOMMENDATION

Commentary on the Financial Statements by the Head of Finance

1) Departure from accounting principles or practices and justifications if any:

In the Financial reporting of FY 2016/17, there was a shift from the manual system of Financial processing to IFMS where by the district staff were trained by MOLG- IFMS team and we went live in the month of November 2016. We have had many challenges in the implementation of this system, but through several consultations we were able to overcome some.

Audit opinion for Fy 2015/16 accounts was **unqualified opinion**, this came as a result of good accounting practices put in place by management.

Having finished Fy 2016/17 successfully and being the first year on IFMS system we expect auditors to meet some discrepancies more especially in execution of budget on the system. However due care and skill was emphasized during implementation, we promise to improve further as we continue to learn IFMS in depth.

All Financial statements and reports were duly submitted to Accountant Generals office in time and we promise to do the same this coming Financial year.

I take full responsibility for the completeness and integrity of these Financial Statements

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Head of Finance [Names & Signature]

.....
Date

**Government of the Republic of Uganda
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Report of the Auditor General

[Space reserved for the Report of the Auditor General]

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Financial Statements for the year ended 30th June 2017
STATEMENT OF FINANCIAL PERFORMANCE

[Based on classification of expenditures by nature]

| | Note | Actual 30 june 2017 Shs | Actual 30 june 2016 Shs |
|--|------|-------------------------------|-------------------------------|
| OPERATING REVENUE | | | |
| Revenue | | | |
| Local Revenue | 2 | 174,228,328 | 153,343,439 |
| Central Government Grants | 3 | 14,972,401,322 | 14,251,575,650 |
| Donor Funds | 4 | 618,047,412 | 763,100,759 |
| Transfers received from Other Government units | 5 | 2,450,441,472 | 1,351,971,462 |
| Total Revenue | | 18,215,118,534 | 16,519,991,310 |
| OPERATING EXPENSES | | | |
| Employee costs | 6 | 9,317,129,221 | 9,531,607,707 |
| Goods and services consumed | 7 | 2,301,289,832 | 1,378,430,231 |
| Consumption of property, plant & equipment | 8 | 2,347,744,432 | 2,084,589,092 |
| Subsidies | 9 | 0 | 0 |
| Transfers to other Organisations | 10 | 3,146,218,695 | 3,103,711,288 |
| Social benefits | 11 | 431,409,123 | 260,500,814 |
| Other expenses | 12 | 34,171,400 | 20,499,473 |
| Total operating expenses | | 17,577,962,703 | 16,379,338,605 |
| Surplus / (Deficit) from operating activities | | 637,155,831 | |
| Foreign exchange loss (Gain) | 13 | 0 | 0 |
| Bad Debts expenses | 14 | 0 | 0 |
| Transfers to Treasury | 15 | 0 | 0 |
| Surplus / (Deficit) for the year | | 637,155,831 | 140,652,705 |

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Accounting Officer [Names & Signature]

Government of the Republic of Uganda
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STATEMENT OF FINANCIAL PERFORMANCE

(Based on Services)

| | Note | Actual 30 june 2017 Shs | Actual 30 june 2016 Shs |
|--|------|-------------------------------|-------------------------------|
| OPERATING REVENUE | | | |
| Revenue from non-exchange transactions | | | |
| Local Revenue | 2 | 174,228,328 | 153,343,439 |
| Central Government Grants | 3 | 14,972,401,322 | 14,251,575,650 |
| Donor Funds | 4 | 618,047,412 | 763,100,759 |
| Transfers received from Other Government units | 5 | 2,450,441,472 | 1,351,971,462 |
| | | 0 | 0 |
| | | 0 | 0 |
| Total operating revenue | | 18,215,118,534 | 16,519,991,310 |
| EXPENDITURES by Outputs - OBT | | | |
| Administration | | 2,475,290,405 | 1,245,705,208 |
| Finance | | 262,907,207 | 330,458,225 |
| Statutory Bodies | | 366,972,393 | 421,357,816 |
| Production | | 1,082,920,481 | 399,812,501 |
| Health | | 2,536,600,450 | 2,848,212,283 |
| Education | | 7,608,046,188 | 7,585,792,304 |
| Works | | 1,971,831,811 | 1,927,860,219 |
| Natural Resources | | 202,609,380 | 166,709,662 |
| Community Based Services | | 733,384,043 | 471,166,773 |
| Planning Unit | | 237,550,548 | 908,145,010 |
| Internal Audit | | 99,849,797 | 74,118,604 |
| Total operating expenses | | 17,577,962,703 | 16,379,338,605 |
| Surplus / (Deficit) from operating activities | | 637,155,831 | |
| Transfers to Treasury | | 0 | 0 |
| Excess of Revenue over expenditure for the year | | 637,155,831 | 140,652,705 |

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Accounting Officer [Names & Signature]

**Government of the Republic of Uganda
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Financial Statements for the year ended 30th June 2017**

STATEMENT OF FINANCIAL POSITION

| | Notes | 30 th june 2017 Shs | 30 th june 2016 Shs |
|---------------------------------|-------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 16 | 765,590,169 | 134,644,046 |
| Receivables | 17 | 113,634,452 | 78,917,100 |
| Inventories | 18 | 0 | 0 |
| Investments | 19 | 0 | 0 |
| Non Produced Assets | 20 | 0 | 0 |
| Total Assets | | 879,224,621 | 213,561,146 |
| LIABILITIES | | | 0 |
| Borrowings | 21 | 0 | 0 |
| Payables | 22 | 28,507,644 | 0 |
| Pension Liability | 23 | 0 | 0 |
| Total Liabilities | | 28,507,644 | 0 |
| Net assets (liabilities) | | 850,716,977 | 213,561,146 |
| REPRESENTED BY:- | | | |
| Net worth/ Equity | | 850,716,977 | 213,561,146 |

STATEMENT OF CHANGES IN EQUITY (NET WORTH)

| | Note | 30 th june 2017 Shs | 30 th june 2016 Shs |
|---|------|--------------------------------------|--------------------------------------|
| At 1 July - Net worth Last Year (B/F) | | 213,561,146 | 72,908,441 |
| Less: Transfers to the UCF account (Previous Year Balances) | | | |
| Add/ (Less): Adjustments to the opening balance | | | |
| Revaluation Reserve | | | |
| Add: Excess of revenue over expenditure for the Year(<i>see statement of Financial Performance</i>) | | 637,155,831 | 140,652,705 |
| At 30 June - Closing Net Financial Worth | | 850,716,977 | 213,561,146 |

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Accounting Officer [Names & Signature]

Government of the Republic of Uganda
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Financial Statements for the year ended 30th June 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 30th June 2017 [Direct Method]

| | 30 th June 2017 | 30 June 2016 |
|--|----------------------------|-----------------------|
| | Shs | Shs |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Revenue from Operating activities | | |
| Local Revenue | 174,228,328 | 153,343,439 |
| Central Government Grants | 14,972,401,322 | 14,251,575,650 |
| Donor Funds | 618,047,412 | 763,100,759 |
| Transfers received from Other Government units | 2,450,441,472 | 1,351,971,462 |
| Deposits received | 0 | 0 |
| Advances recovered | 0 | 0 |
| Less Transfer to Treasury (Balances) | 0 | 0 |
| Total Operating revenue | 18,215,118,534 | 16,519,991,310 |
| PAYMENTS FOR OPERATING EXPENSES: | | |
| Employee costs | 9,317,129,221 | 9,531,607,707 |
| Goods and services consumed | 2,266,572,480 | 1,378,430,231 |
| Subsidies | 0 | 0 |
| Transfers to Other Organizations | 3,146,218,695 | 3,103,711,288 |
| Social benefits | 431,409,123 | 260,500,814 |
| Other expenses | 34,171,400 | 20,499,473 |
| Foreign exchange loss/(gain) | 0 | 0 |
| Net Advances paid | 34,717,352 | 78,917,100 |
| Domestic arrears paid during the year | 0 | 0 |
| Pension Arrears paid during the Year | 0 | 0 |
| Losses of cash | 0 | 0 |
| Letters of Credit receivable | | 0 |
| Total payments for operating activities | 15,230,218,271 | 14,373,666,613 |
| Net cash inflows/(outflows) from operating activities | 2,984,900,263 | 2,146,324,697 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | 2,347,744,432 | 2,084,589,092 |
| Purchase of non-produced assets | | |
| Proceeds from sale of property, plant and equipment | | |
| Purchase of investments | | |
| Proceeds from sale of investments | | |
| Net cash inflows/(outflows) from investing activities | 637,155,831 | 61,735,605 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from external borrowings | | |
| Repayments of external borrowings | | |
| Proceeds from other domestic borrowings | | |
| Repayments of other domestic borrowings | | |
| Net cash flows from financing activities | 0 | 0 |
| Net increase (decrease) in cash and cash equivalents | 637,155,831 | 61,735,605 |

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CASH FLOW STATEMENT FOR THE YEAR ENDED (continued)

Reconciliation of movement of cash during the year

| | Notes | 31 st March 2017 | 30 June 2016 Shs |
|---|-------|--------------------------------|---------------------|
| At the beginning of the year | | 134,644,046 | 72,908,441 |
| Less: Transfers to the UCF account (Previous Year Balances) | | 0 | 0 |
| Add/ (Less): Adjustments to the opening balance | | 0 | 0 |
| | | 0 | 0 |
| Net increase (decrease) of cash from the <i>Cash flow Statement</i> | | 637,155,831 | 61,735,605 |
| At the end of the year | | 771,799,877 | 134,644,046 |

For purposes of the cash flow statement, cash and cash equivalents comprise

| | | 30 th june 2017 Shs | 30th June 2016 Shs |
|-----------------------------------|----|--------------------------------------|--------------------------|
| Cash and bank balances | 16 | 771,799,877 | 134,644,046 |
| Less bank overdrafts | 22 | 0 | 0 |
| Net cash and bank balances | | 771,799,877 | 134,644,046 |

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Accounting Officer [Names & Signature]

Government of the Republic of Uganda
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STATEMENT OF APPROPRIATION ACCOUNT [Based On Services Voted]

| | Initial Budget 1 st July 2016 Shs | Revised Budget 31 st March 2017 Shs | Actual 30 th June 2017 Shs | Variance 30 th June 2017 Shs |
|---|--|---|---|---|
| RECEIPTS | | | | |
| Local Revenue | 264,088,000 | 264,088,000 | 174,228,328 | 89,859,672 |
| Central Government Grants | 14,776,407,000 | 14,776,407,000 | 14,972,401,322 | (195,994,322) |
| Donor Funds | 60,000,000 | 1,845,435,629 | 618,047,412 | 1,227,388,217 |
| Transfers received from Other Government units | 3,148,097,000 | 3,562,743,397 | 2,450,441,472 | 1,112,301,925 |
| | 0 | 0 | 0 | 0 |
| Total receipts | 18,248,592,000 | 20,448,674,026 | 18,215,118,534 | |
| EXPENDITURE | | | | |
| Administration | 1,641,933,000 | 2,207,632,000 | 2,475,290,405 | (267,658,405) |
| Finance | 148,700,000 | 178,700,000 | 262,907,207 | (84,207,207) |
| Statutory Bodies | 281,818,000 | 281,818,000 | 366,972,393 | (85,154,393) |
| Production | 1,492,309,000 | 1,507,309,000 | 1,082,920,481 | 424,388,519 |
| Health | 2,572,319,000 | 3,348,966,152 | 2,536,600,450 | 812,365,702 |
| Education | 7,757,001,000 | 7,932,001,000 | 7,608,046,188 | 323,954,812 |
| Works | 1,894,720,000 | 1,931,296,860 | 1,971,831,811 | (40,534,951) |
| Natural Resources | 205,331,000 | 205,331,000 | 202,609,380 | 2,721,620 |
| Community Based Services | 1,993,895,000 | 2,556,653,014 | 733,384,043 | 1,823,268,971 |
| Planning Unit | 188,863,000 | 227,264,000 | 237,550,548 | (10,286,548) |
| Internal Audit | 71,703,000 | 71,703,000 | 99,849,797 | (28,146,797) |
| Total Expenditure | 18,248,592,000 | 20,448,674,026 | 17,577,962,703 | |
| Net Receipts/Payments | | | 637,155,831 | |

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Accounting Officer [Names & Signature]

**Government of the Republic of Uganda
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Statement of Appropriation Account [Based on nature of expenditure]

| | Initial Budget 1 st July 2016 Shs | Revised Budget 31 st March 2017 Shs | Actual 30 th June 2017 Shs | Variance 30 th June 2017 Shs |
|---|--|--|---|---|
| RECEIPTS | | | | |
| Local Revenue | 264,088,000 | 264,088,000 | 174,228,328 | 89,859,672 |
| Central Government Grants | 14,776,407,000 | 14,776,407,000 | 14,972,401,322 | (195,994,322) |
| Donor Funds | 60,000,000 | 1,845,435,629 | 618,047,412 | 1,227,388,217 |
| Transfers received from Other Government units | 3,148,097,000 | 3,562,743,397 | 2,450,441,472 | 1,112,301,925 |
| | 0 | 0 | 0 | 0 |
| Total receipts | 18,248,592,000 | 20,448,674,026 | 18,215,118,534 | |
| EXPENDITURE | | | | |
| Employee costs | 9,758,392,000 | 9,758,392,000 | 9,317,129,221 | 441,262,779 |
| Goods and services consumed | 4,065,177,000 | 4,814,146,026 | 2,301,289,832 | 2,512,856,194 |
| Consumption of property, plant & equipment | 1,858,472,000 | 1,858,472,000 | 2,347,744,432 | (489,272,432) |
| Subsidies | 0 | 0 | 0 | 0 |
| Transfers to other Organisations | 2,322,095,000 | 3,773,208,000 | 3,146,218,695 | 626,989,305 |
| Social benefits | 238,920,000 | 238,920,000 | 431,409,123 | (192,489,123) |
| Other expenses | 5,536,000 | 5,536,000 | 34,171,400 | (28,635,400) |
| Domestic arrears paid | 0 | 0 | 0 | 0 |
| Finance costs | 0 | 0 | 0 | 0 |
| Total expenditure | 18,248,592,000 | 20,448,674,026 | 17,577,962,703 | |
| Net Receipts/Payments | | | 637,155,831 | |

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Accounting Officer [Names & Signature]

**Government of the Republic of Uganda
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Financial Statements for the year ended 30th June 2017**

Reconciliation between Total Expenditure per Statement of Appropriation Account to Total Expenditure per Statement of Financial Performance

| | Actual 30 th June 2017 Shs | Actual 30 th June 2016 Shs |
|---|---|---|
| Total expenditure per Appropriation Account | 17,577,962,703 | 16,379,338,605 |
| Add: | | |
| Letters of credit receivable prior year but delivered during the year | 0 | 0 |
| Foreign exchange losses (gains) | | |
| | | |
| | | |
| | | |
| Less: | | |
| Letters of credit receivable at year-end | | |
| Domestic Arrears paid | 0 | 0 |
| | | |
| | | |
| | | |
| | | |
| Total Expenditure per Statement of Financial Performance | 17,577,962,703 | 16,379,338,605 |

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Accounting Officer [Names & Signature]

**Government of the Republic of Uganda
Kiryandongo District Local Government
Financial Statements for the year ended 30th June 2017**

**Statement of Revenues (Local) collected during the year ended 30th June 2016
[Based on source of revenue] (Memorandum Statement)**

| Actual 30 June 2016 Shs | | Notes | Actual 30 th June 2017 Shs | Budget 1 st July 2016 | Variance 30 th June 2017 Shs |
|-------------------------------|--|-------|---|-------------------------------------|--|
| | RECEIPTS | | | | |
| 32,239,687 | Local Services Tax | | 42,900,750 | 18,900,000 | 24,000,750 |
| 16,304,525 | Land fees | | 29,886,950 | 102,874,150 | (72,987,200) |
| 3,120,077 | Business Licenses | | 5,232,772 | 7,875,000 | (2,642,228) |
| 0 | Hotel Tax | | 0 | 1,575,000 | (1,575,000) |
| 10,679,046 | Other general taxes on goods and services | | 35,589,702 | 37,275,000 | (1,685,298) |
| 23,289,094 | Other tax revenues | | 0 | 6,825,000 | (6,825,000) |
| 0 | Investment Income | | 0 | 0 | 0 |
| 630,700 | Animal and Crop husbandry | | 1,073,644 | 0 | 1,073,644 |
| 1,680,000 | Park fees | | 982,372 | 21,000,000 | (20,017,628) |
| 0 | Disposal of Assets | | 13,768,845 | 0 | 13,768,845 |
| 4,320,008 | Sale of Goods and services | | 0 | 0 | 0 |
| 18,768,400 | Administrative fees and licenses | | 24,000,000 | 26,250,000 | (2,250,000) |
| 0 | Court fines and Penalties | | 0 | 0 | 0 |
| 19,155,084 | Charcoal Loading | | 20,793,293 | 41,513,850 | (20,720,557) |
| 22,874,543 | Miscellaneous and unidentified revenue | | 0 | 0 | 0 |
| 153,061,164 | Total Revenue | | 174,228,328 | 264,088,000 | |

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Accounting Officer [Names & Signature

Government of the Republic of Uganda
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Financial Statements for the year ended 30th June 2017

STATEMENT OF ARREARS OF REVENUES [Based on source of revenue] (Memorandum Statement)

| | Arrears of Revenue 30 June 2016 Shs | Total Revenue billed during the year Shs | Actual Amounts collected during the year Shs | Amount remitted to the UCF during the year Shs | Due to Consolidated Fund Shs. | Cumulative Arrears of Revenue at 30 June 2016 Shs |
|---|---|---|---|---|----------------------------------|--|
| RECEIPTS | | | | | | |
| Local Services Tax | 0 | 18,900,000 | 42,900,750 | 0 | 0 | 0 |
| Land fees | 0 | 102,874,150 | 29,886,950 | 0 | 0 | 0 |
| Business Licenses | 0 | 7,875,000 | 5,232,772 | 0 | 0 | 0 |
| Hotel Tax | 0 | 1,575,000 | 0 | 0 | 0 | 0 |
| Other general taxes on goods and services | 0 | 37,275,000 | 35,589,702 | 0 | 0 | 0 |
| Other tax revenues | 0 | 6,825,000 | 0 | 0 | 0 | 0 |
| Investment Income | 0 | 0 | 0 | 0 | 0 | 0 |
| Animal/crop husbandry | 0 | 0 | 1,073,644 | 0 | 0 | 0 |
| Rent and rates (taxi park) | 0 | 21,000,000 | 982,372 | 0 | 0 | 0 |
| Disposal of Assets | 0 | 0 | 13,768,845 | 0 | 0 | 0 |
| Sale of Goods and services | 0 | 0 | 0 | 0 | 0 | 0 |
| Administrative fees and licenses | 0 | 26,250,000 | 24,000,000 | 0 | 0 | 0 |
| Court fines and Penalties | 0 | 0 | 0 | 0 | 0 | 0 |
| Other fines and penalties | 0 | 41,513,850 | 20,793,293 | 0 | 0 | 0 |
| Miscellaneous and unidentified revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating revenue | | 264,088,000 | 174,228,328 | | | |

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Accounting Officer [Names & Signature]

**Government of the Republic of Uganda
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Financial Statements for the year ended 30th June 2017**

STATEMENT OF CONTINGENT LIABILITIES AND GUARANTEES (Memorandum Statement)

| | Schedule | 30 June 2016 Shs | 30 June 2015 Shs |
|--|----------|---------------------|---------------------|
| DOMESTIC | | | |
| Legal proceedings | | | |
| Guarantees and indemnities | | | |
| Guarantees of bank overdrafts | | | |
| Guarantees under Public Private Partnerships | | | |
| Other contingent liabilities | | | |
| Total Domestic Contingencies | | | |
| FOREIGN | | | |
| Legal proceedings | | | |
| Guarantees and indemnities | | | |
| Guarantees of bank overdrafts | | | |
| Guarantees under Public Private Partnerships | | | |
| Other contingent liabilities | | | |
| Total Foreign Contingencies | | | |
| | | | |
| Total Contingent Liabilities | | | |

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Accounting Officer [Names & Signature]

STATEMENT OF OUTSTANDING COMMITMENTS – [Commitments by nature of expenditure]

| | Outstanding commitments at beginning of year 1 July 2015 Shs | Adjustments to the previous year's commitments Shs | Prior years commitments paid during the year Shs | New outstanding commitments incurred during the year Shs | Cumulative outstanding commitments 30 June 2016 Shs |
|---|---|---|---|---|--|
| Operating Commitments (Payables) | | | | | |
| Employee costs | | | | | |
| Pensions | | | | | |
| Goods and services consumed | 0 | 0 | 0 | 28,507,644 | 28,507,644 |
| Interest expense | | | | | |
| Subsidies | | | | | |
| Grants payable | | | | | |
| Social benefits | | | | | |
| Other operating expenses | | | | | |
| Finance cost | | | | | |
| Total operating commitments | 0 | 0 | 0 | 28,507,644 | 28,507,644 |
| Capital Commitments (Payables) including multi-year ones | | | | | |
| Non-produced assets | | | | | |
| Property | | | | | |
| Plant | | | | | |
| Equipment | | | | | |
| Total capital commitments | | | | | |
| Total commitments - Payables | | | | | |
| Add: | | | | | |
| Commitments for Extraordinary items | | | | | |
| TOTAL COMMITMENTS | 0 | 0 | 0 | 28,507,644 | 28,507,644 |

.....
Accounting Officer [Names & Signature]

Statement of losses of public money and stores written off, and claims abandoned during the year

| Reference number of reported loss/write off/claim abandoned. | | Opening Balance as at 1 July 2016 (Shs) | Losses written-off in the YR ended 31 st Dec 2016 (Shs) | Cumulative Losses written-off as at 30th June 2016 (Shs) |
|--|--|--|---|---|
| | Losses of public moneys (cash and cash equivalents) | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total losses of cash written off | | | |
| | Losses of stores | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total losses of stores written off | | | |
| | Other assets | | | |
| | Property | | | |
| | Plant | | | |
| | Equipments | | | |
| | Total losses of other assets written off | | | |
| | Claims abandoned | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total value of claims abandoned | | | |
| | | | | |
| | Total losses of public funds, stores and claims abandoned | | | |

Statement of reported losses of public moneys, stores and other assets whether or not written off during the year ended 31st Dec 2016

| Reference number of reported loss/write off/claim abandoned. | | Opening Balance as at 1 July 2016 (Shs) | Losses for the YR ended 31 st Dec 2016 (Shs) | Cumulative Losses as at 30th June 2016 (Shs) |
|--|---|--|--|---|
| | Losses of public moneys reported (cash and cash equivalents) | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total losses of cash | | | |
| | Losses of stores reported. | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total losses of stores reported | | | |
| | Losses of other assets | | | |
| | Property | | | |
| | Plant | | | |
| | Equipments | | | |
| | Total losses of other assets reported | | | |
| | | | | |
| | Total losses of public funds, stores and other assets reported | | | |

.....
Accounting Officer [Names & Signature]

Summary statement of stores and other assets (physical assets) as at the end of the year

| Category/ Description | Opening balance 1 July 2016 Cost (Shs) | Purchases during the year ¹ 30th june 2017 Cost (Shs) | Disposals during the year 30th june 2017 cost (Shs) | Cumulative at 30th june 2017 Cost (Shs) |
|--|---|--|--|--|
| Land | 0 | 0 | 0 | 0 |
| Non Residential buildings | 5,394,333,090 | 946,031,566 | 0 | 6,340,364,656 |
| Residential buildings | 1,341,907,825 | 0 | 0 | 1,341,907,825 |
| Roads and bridges | 3,466,196,332 | 1,097,495,835 | 0 | 4,563,692,167 |
| Transport equipment | 0 | 0 | 0 | 0 |
| Motor Vehicles | 943,507,747 | 58,500,000 | 0 | 1,002,007,747 |
| Trailers/ Semi-trailers | 0 | 0 | 0 | 0 |
| Ships and other marine vessels | 0 | 0 | 0 | 0 |
| Railway locomotives | 0 | 0 | 0 | 0 |
| Aircrafts | 0 | 0 | 0 | 0 |
| Motor cycles and Bicycles | 44,401,800 | 0 | 0 | 44,401,800 |
| Other transport equipment | 0 | 0 | 0 | 0 |
| Machinery and equipment | 517,400,000 | 0 | 0 | 517,400,000 |
| Office equipment | 166,903,999 | 0 | 0 | 0 |
| Medical equipment | 0 | 0 | 0 | 0 |
| ICT Equipment | 0 | 0 | 0 | 0 |
| Laboratory and research equipt | 0 | 0 | 0 | 0 |
| Water Works | 2,609,506,382 | 245,717,031 | 0 | 2,855,223,413 |
| Furniture and fittings | 256,860,549 | 0 | 0 | 256,860,549 |
| Classified Assets | 0 | 0 | 0 | 0 |
| Cultivated Assets | 0 | 0 | 0 | 0 |
| Total value of physical assets acquired, disposed of and balances | 14,741,017,724 | 2,347,744,432 | | 16,921,858,157 |

.....
Accounting Officer [Names & Signature]

¹ Note that additions during the year should be the summation of assets captured in note 11 and the increment in note 21

ACCOUNTING POLICIES

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Uganda in preparing and presenting the financial statements. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in all material aspects unless otherwise stated.

1) General Information

As required by Section 51(1) of the Public Finance Management Act, 2015, each vote shall prepare annual financial statements for audit, and submit a copy to the Accountant General.

2) Reporting Entity

Kiryandongo District Local Government is a reporting entity of the Government of the Republic of Uganda and is domiciled in Uganda.

The principal address of the entity is:

- a) P. O Box 137 Kigumba
- b) If established by an Act of Parliament, for the creation of new districts in FY 2009/10.
- c) **mission Statement**, *Serving the People of Kiryandongo District in a Coordinated service delivery phenomena with focus on national and local priorities in a sustainable district development framework.*

3) The Treasury

The Treasury is established by Section 10 of the Public Finance Management Act, 2015 consisting of: (a) the Minister of Finance; (b) the Secretary to the Treasury; (c) the Accountant General; and (d) any other directorates responsible for economic and finance matters of the Ministry of Finance, Planning and Economic Development.

4) The Consolidated Fund

Is the Consolidated Fund as established by the Article 153 of the Constitution of the Republic of Uganda. As provided by Section 30 of the Public Finance Management Act, 2015 (the Act), it is the Fund into which all revenues or other money raised or received for the purpose of the Government shall be paid. Except for receivables into another public fund established for a special purpose (for example the Petroleum Fund) where this is authorized by an Act of Parliament, or where a vote, state enterprise or public corporation shall retain revenue collected or received as authorized through an appropriation by Parliament or is a monetary grant exempted under Section 44 of the ACT.

Withdrawals from the Consolidated Fund shall only be done upon the authority of a warrant of expenditure issued by the Minister of Finance to the Accountant General after a grant of credit has been issued to the Minister by the Auditor General in the first instance. The withdrawal can be effected only when: (a) the expenditure has been authorized by an Appropriation Act or a Supplementary Appropriation Act; (b) is a statutory expenditure; (c) for repaying money received in error by the Consolidated Fund; (d) and for paying sums required for an advance, refund, rebate or drawback that are provided for in this and other Act of Parliament.

5) The Contingencies Fund

Established by Section 26 of the Public Finance Management Act, 2015, which in every financial year, shall be replenished with an amount 0.5% of the appropriated annual budget of the Government of the previous financial year without consideration of any supplementary budget. The Fund shall provide funding for natural disasters.

6) Classified expenditures

Classified expenditures are included under supply of goods and services in the Statement of Financial Performance, and are audited separately. The money appropriated for classified expenditure shall only be used for defense and national security purposes. A committee of Parliament comprising the chairpersons of the committees responsible for budget; defense and internal affairs; and another member appointed by the Speaker will be responsible for scrutiny of classified expenditure budget.

7) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 [the Act] and comply with generally accepted accounting principles. The Financial Statements have consistently been prepared using the modified cash basis of accounting except where stated otherwise. The modified cash basis of accounting recognizes revenue when cash is received and expenses (except for expenses approved to be accrued) when paid.

8) Going concern consideration

The financial statements have been prepared on a going concern basis.

9) Presentation currency

The reporting and presentation currency is the Uganda Shilling (Shs), which is the functional currency of the Republic of Uganda. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

10) Reporting Period

The reporting period for these financial statements is from 1 July..... to the next 30 June..... Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format in the current year's financial statements.

11) Appropriation

The initial approved budget is the original forecast as presented and approved by Parliament. A revised budget is the initial approved budget adjusted by a supplementary or reallocations/ virements.

12) Revenue

Revenue represents cash and grants in kind received by the entity during the financial year and comprise; Central Government Grants, transfers from other government units, donor funds and local revenue. Revenues are recognized as follows;

i) Central Government Grants

Central Government Grants comprise the conditional, unconditional and equalization grants. Central government grants are recognised when as such when received with the exception of conditional grants that are recognised when earned. Conditional grants are recognised as deferred income (liability) until the conditions for which they were sent are met. As per the provisions of the PFMA 2015, unspent conditional grants should be remitted to the Uganda Consolidated Fund Account at the closure of the financial year.

ii) Donor Funds

These include grants which are received by the entity either as cash or in-kind. All grants (aid assistance) are recognized as income when received. In-kind receipts (donations) are recognized at fair value.

iii) Transfers received from other government units

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities of the former. These might include road maintenance funds from the Road fund, immunization funds from Ministry of health among others. These funds are recognized when received.

iv) Local Revenue

These comprise local service tax, land fees, hotel tax, and other non-tax Revenues that are collected by the entity. Local revenue whether directly collected by the entity or collected by another entity on its behalf is recognized when received.

13) Expenses

Generally, expenditure is recognized when it is incurred and settled within the financial year. Qualifying unsettled expenditure is recognized in the Statement of Financial position as payables.

14) Property, Plant and Equipment (physical assets or fixed assets)

Property, plant and equipment (PPE) principally comprises buildings, dams, roads and highways, hydropower stations, plant, vehicles, equipment, and any other infrastructure assets but does not include land and regenerative natural resources such as forests and mineral resources.

Acquisitions of PPE are recorded in the asset register on receipt of the item at cost and expensed fully through the Statement of Financial Performance. Cost of the item is defined as the total cost of acquisition. Where the cost of the PPE cannot be determined accurately, the PPE is stated at fair value. Subsequent repairs and maintenance costs of PPE are also expensed as goods and services consumed in the Statement of Financial Performance.

Proceeds from disposal of property, plant and equipment are recognized as non-tax revenue in the period in which it is received.

15) Translation of transactions in foreign currency

Foreign currency transactions are translated into Uganda Shillings using the exchange rates prevailing at the dates of the transactions (spot rates). These result into realized gains/losses which are recognized in the Statement of Financial Performance. Foreign currency assets and liabilities held by the entity at year-end are translated into Uganda Shillings using the period closing rate for reporting purposes resulting into unrealized gains/losses. The unrealized gains/losses are recognized in the statement of changes in Equity through the revaluation reserve.

16) Revaluation Gains/Losses

Unrealized gains or losses arising from changes in the value of investments, marketable securities held for investment purposes, and from changes in the values of property, plant and equipment's are not recognized in the financial statements.

17) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. In the statement of financial position bank overdrafts are included in borrowings.

18) Unspent cash balances

In accordance with the requirement of the Public Finance Management Act, 2015, unspent cash balances by Government entities at the end of the financial year are returned through the Single Treasury Account to the Consolidated Fund in the course of the financial year.

Escrow Account balances are to be recognized in the Financial Position of the responsible entity and expensed through the Financial Performance in the period when funds are utilized.

19) Receivables

(i) Advances and other receivables

Receivables are carried at historical cost and are written down by recovered receipts or write –off of unrecoverable amounts (bad debts are written-off with the approval of Parliament, when identified in the Statement of Changes in Equity).

(ii) Letters of credit

Procurement of goods and services through letters of credit which are cash covered are recognized in the statement of appropriation when the letter of credit is opened. Outstanding letters of credit at period-end are treated as receivable and expensed through the Statement of Financial Performance in the period when the goods and services are delivered.

20) Inventories

Comprise consumable supplies expensed in the period when acquired. Inventories that qualify for recognition must be initially reflected at cost. Where they are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

21) Investment properties

Investment property principally comprises land, office, commercial and residential buildings, and other physical assets, which is held for long-term rental income and is not occupied internally. Investment property is treated as a long-term investment and is carried at cost.

22) Investments

Investments are classified into three groupings, namely: **investments held for trading; investments held-to-maturity; and investments available-for-sale.**

Investments that are acquired principally for the purposes of generating profit from short-term fluctuations in price are classified as “trading investments”, and are, therefore, current assets and are treated as monetary assets.

Investments with fixed maturities and there is an intention and ability to hold them to maturity dates are classified as **“Investments held-to-maturity”**, and are, therefore, non-current assets, and are treated as non-monetary assets.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as **“investments available-for-sale”**, and are therefore non-current assets and regarded as non-monetary assets. However, if there is an expressed intention to sell these within 12 months, then these are treated as current assets and are monetary assets.

Appropriate classification of investments at the time of purchase and re-evaluation of such designation are carried out on a regular basis but any resulting reclassifications are rare and cannot be made from “trading investments” to “investments held to maturity”

All investments in the balance sheet are carried at historical cost. Non-financial assets are measured at net worth. For investments quoted in foreign currency, the historical cost is translated at the closing rate.

23) Projects expenditure

Government projects are a series of undertakings of a reporting entity with specific objectives and a defined time frame and could be either: (a) fully funded by a Government; (b) jointly funded by Government and a development partner; (c) fully funded by a development partner through either budget support or project support; and (d) fully funded by development partner through provision of physical items rather than funds.

Fully or partly Government funded project expenditure is recognized in the statement of financial performance of the reporting entity to the extent of funding received from Government.

24) Borrowings

Borrowings are initially recorded in the Statement of Financial Position [the balance sheet] at cost net of any transaction costs paid.

Interest expense and any other expense on borrowings are recognized in the Statement of Financial Performance when they fall due.

25) Employee benefits

Employee benefits include salaries, pensions and other related-employment costs. Employee benefits are recognized when incurred. No provision is made for accrued leave or reimbursable duty allowances.

26) Contingent liabilities

Contingent liabilities are disclosed in a memorandum statement (Statement of Outstanding Commitments) of the entity when it's probable that an outflow of economic benefits or service potential will flow from the entity or when an outflow of economic benefits or service potential is probable but cannot be measured reliably. Contingent liabilities comprise government guarantees issued, court awards that have been appealed by the Attorney General, those arising from Public Private Partnerships (PPPs) etc. Contingent assets are not recognized nor disclosed.

27) Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments on loans and commitments relating to employment contracts are not included in the Statement of Outstanding Commitments. Outstanding commitments relating to non-cancelled contractual or statutory obligation where goods have been delivered or service provided are included in the statement of financial position as payables and in the Statement of Outstanding Commitments.

28) Public Private Partnerships

Any investment by the Government in a Public Private Partnership may be through a joint venture or as an associate or as a major shareholder. Except for the latter, these are accounted for as investments whether held for trading purposes or otherwise. The financial statements in that case are consolidated as if the other entity is a controlled entity in accordance with IPSAS 38.

In other instances where the Government provides certain guarantees which could crystalize and result into an outflow of resources, the guarantees are quantified and disclosed in the memorandum Statement of Contingent Liabilities. The amounts disclosed as part of contingent liabilities represent the most likely outflow of resources should certain events crystalize which are assessed annually. If the events crystalize, the amounts become payables through the Statement of Financial Performance and Statement of Financial Position on an accrual basis

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Exchange Rates

All monetary amounts in the financial statements are expressed in Uganda Shillings, the legal tender. The Uganda Shilling closing rates (the Bank of Uganda middle rate) for major currencies were:

| | 30 th june 2017 Shs | 30 June 2016 Shs |
|----------------------|-----------------------------------|---------------------|
| United States Dollar | | |
| British Pound | | |
| Euro | | |

Note 2: Local Revenues

Tax revenues comprise both direct and indirect taxes levied and collected on behalf of Government.

| | 30 th june 2017 Shs | 30 June 2016 Shs |
|---|-----------------------------------|---------------------|
| Local Services Tax | 42,900,750 | 32,239,687 |
| Land fees | 29,886,950 | 16,304,525 |
| Business Licenses | 5,232,772 | 3,402,350 |
| Operational Permit | 0 | 0 |
| Other general taxes on goods and services | 35,589,702 | 10,679,048 |
| Other tax revenues | 0 | 23,289,094 |
| Investment Income | 0 | 0 |
| Animal and crop husbandry | 1,073,644 | 630,700 |
| Park fees | 982,372 | 1,680,000 |
| Disposal of Assets | 13,768,845 | 0 |
| Sale of Goods and services | 0 | 4,320,008 |
| Administrative fees and licenses | 24,000,000 | 18,768,400 |
| Charcoal loading | 0 | 19,155,084 |
| Other fines and penalties | 20,793,293 | 0 |
| Miscellaneous and unidentified revenue | 0 | 22,874,543 |
| | 0 | 0 |
| Total | 174,228,328 | 153,343,439 |

Note 3: Central Government Grants

| | 30 th june 2017 Shs | 30 June 2016 Shs |
|--------------------|-----------------------------------|---------------------|
| Conditional Grants | 13,570,777,029 | 13,159,382,486 |

| | | |
|----------------------|-----------------------|-----------------------|
| Unconditional Grants | 1,401,624,293 | 1,092,193,164 |
| Equalization Grants | 0 | 0 |
| Total | 14,972,401,322 | 14,251,575,650 |

Note 4: Donor Funds

| | 30 th june 2017 Shs | 30 June 2016 Shs |
|---|-----------------------------------|---------------------|
| Grants from foreign governments | | |
| Grants from International Organisations | 618,047,412 | 763,100,759 |
| Total | 618,047,412 | 763,100,759 |

Note 5: Transfers received from Other Government Units

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities. For instance road maintenance funds, grants recognised by treasury but transferred to other executing MALGS, etc

| | 30 th june 2017 Shs | 30 June 2016 Shs |
|--|-----------------------------------|----------------------|
| Transfers received from other Gov't units- Current | 1,466,703,500 | 454,409,200 |
| Transfers received from other Gov't units- Capital | 983,737,972 | 897,562,262 |
| Total | 2,450,441,472 | 1,351,971,462 |

Note 6: Employee Costs

Employee costs principally comprise:

| | 30 th june 2017 Shs | 30 June 2016 Shs |
|------------------------------|-----------------------------------|----------------------|
| Wages and salaries | 8,646,455,690 | 8,771,882,388 |
| Social contributions | 4,523,500 | 3,601,000 |
| Other employment costs | 666,150,031 | 756,124,319 |
| Total employee costs. | 9,317,129,221 | 9,531,607,707 |

Note 7: Goods and Services

Expenditure on goods and services during the year principally comprise the following:

| | 30 th june 2017 Shs | 30 June 2016 Shs |
|-------------------------------|-----------------------------------|---------------------|
| General expenses | 1,055,274,754 | 551,046,098 |
| Communications | 58,183,500 | 27,133,750 |
| Utility and property expenses | 27,417,246 | 14,805,955 |
| Supplies and services | 498,643,165 | 166,371,388 |
| Professional services | 1,600,000 | 9,766,000 |
| Insurances and licenses | 0 | 0 |
| Travel and transport | 571,839,406 | 459,003,130 |
| Maintenance | 88,331,761 | 150,303,910 |

| | | |
|---|----------------------|----------------------|
| Total cost of goods and services | 2,301,289,832 | 1,378,430,231 |
|---|----------------------|----------------------|

Note 8: Consumption of Property, Plant and Equipment (Fixed Assets)

As explained in accounting policy (18), property, plant and equipment (physical assets) are expensed in the year of purchase i.e. they are depreciated at 100% in the year of purchase using the cash Basis of accounting.

| | 30th june 2017 | 30 June 2016 |
|--|----------------------------------|----------------------|
| | Shs | Shs |
| Non Residential buildings | 946,031,566 | 987,061,790 |
| Residential buildings | 0 | 113,822,178 |
| Roads and bridges | 1,097,495,835 | 421,833,200 |
| Transport equipment- | 58,500,000 | 120,000,000 |
| Machinery and equipment | 0 | 3,499,999 |
| Furniture and fittings | 0 | 21,685,000 |
| Water Works | 245,717,031 | 416,686,925 |
| Total value of property, plant and equipment expensed | 2,347,744,432 | 2,084,589,092 |

Note 9: Subsidies

Subsidies paid during the year are summarized as below:

| | 30th june 2017 | 30 June 2016 |
|-------------------------------------|----------------------------------|---------------------|
| | Shs | Shs |
| To public corporations | | |
| To private enterprises | | |
| To private individuals | | |
| Total subsidies for the year | 0 | 0 |

Note 10: Transfers to Other Organisations

Transfers made during the year are summarized as below:

| | 30th june 2017 | 30 June 2016 |
|--|----------------------------------|----------------------|
| | Shs | Shs |
| Transfer to foreign Governments | | |
| Transfers to International Organisations | | |
| Transfers to other government units | 3,146,218,695 | 3,103,711,288 |
| To resident non-government units | | |
| Payments to third parties | | |
| Total transfers | 3,146,218,695 | 3,103,711,288 |

Note 11: Social Benefits

Social benefits paid during the year comprise:

| | 30th june 2017 | 30 June 2016 |
|------------------------------|----------------------------------|---------------------|
| | Shs | Shs |
| Pensions | 238,920,000 | 260,500,814 |
| Employer Social benefits | 192,489,123 | |
| Total social benefits | 431,409,123 | 260,500,814 |

Note 12: Other Operating Expenses

These comprise:

| | 30 th june 2017 | 30 June 2016 |
|---------------------------------------|----------------------------|-------------------|
| | Shs | Shs |
| Property expenses other than interest | 3,021,257 | 14,160,622 |
| Miscellaneous other expenses- current | 31,150,143 | 6,338,851 |
| Miscellaneous other expenses- capital | 0 | |
| Goods Purchased for resale | 0 | |
| Total other operating expenses | 34,171,400 | 20,499,473 |

Note 13: Foreign Exchange Gains and Losses

During the year, foreign exchange losses and gains were as follows:

| | 30 th june 2017 | 30 June 2016 |
|---|----------------------------|--------------|
| | Shs | Shs |
| Realized loss (gain) | | |
| Un/realized loss | | |
| Un/realized gain | | |
| Net foreign exchange (gains)/ losses | | |

Note 14: Bad Debt Expense

| | 30 th june 2017 | 30 June 2016 |
|---|----------------------------|--------------|
| | Shs | Shs |
| Provision at the beginning of the year- at 1 July | | |
| Additional provision for the year | | |
| Less provision approved for write off during the year | | |
| Less provision no longer required | | |
| Provision at the end of the year- at 30 June | 0 | 0 |

Note 15: Transfers to the Treasury

These comprise transfers back to the Consolidated Fund of unspent balances from the respective expenditure accounts.

| | 30 th june 2017 | 30 June 2016 |
|------------------------------|----------------------------|--------------|
| | Shs | Shs |
| Unspent Salary balances | 26,146 | |
| Expenditure account balances | 0 | 0 |
| Total for the year. | 26,146 | 0 |

Note 16: Cash and cash equivalents

| | 30 th june 2017 | 30 June 2016 |
|----------------------|----------------------------|--------------|
| | Shs | Shs |
| DOMESTIC | | |
| Revenue accounts | 329,055,048 | 56,611,328 |
| Expenditure accounts | 382,172,728 | 52,652,937 |
| Project accounts | 54,362,393 | 25,379,781 |

| | 30 th June 2017 Shs | 30 June 2016 Shs |
|-------------------------------------|-----------------------------------|---------------------|
| Collection accounts | 0 | 0 |
| Cash in transit | 0 | 0 |
| Cash at hand- Imprest | 0 | 0 |
| Others | 0 | 0 |
| Total cash and bank balances | 765,590,169 | 134,644,046 |

Note 17: Receivables

Comprise the following receivables at the end of the year net of any provision for receivables doubtful of recovery.

| | 30 th June 2017 Shs | 30 th June 2016 Shs |
|--|--------------------------------|-----------------------------------|
| DOMESTIC | | |
| Advances | 113,634,452 | 78,917,100 |
| Outstanding letters of credit | | |
| Other accounts receivable | | |
| Total domestic receivables | 113,634,452 | 78,917,100 |
| FOREIGN | | |
| Advances | | |
| Other accounts receivable | | |
| Total foreign receivables | | |
| Total receivables | 113,634,452 | 78,917,100 |
| Less provisions against doubtful accounts | 0 | 0 |
| Net receivables | 113,634,452 | 78,917,100 |

Note 18: Inventories

Comprise strategic stock and other inventories purchased which have not been expensed.

| | 30 th June 2017 Shs | 30 June 2016 Shs |
|---|--------------------------------|---------------------|
| Strategic stock-petroleum products | | |
| Other inventories(goods purchased for re-sale) | | |
| Total inventories | | |

Note 19: Investment properties

Investment properties comprise properties, which are held for long term rental income and are not occupied or used by the Government or any other Government entity.

| | 30 th June 2017 Shs | 30 June 2016 Shs |
|--|--------------------------------|---------------------|
| At the beginning of the year – 1 July | | |
| Additions/acquisitions made during the year | | |
| Disposals made during the year | | |
| Total cost of investment properties – 30 June | | |

Investment properties are carried at historical cost using the cash basis of accounting. Fair value gains or losses are not recognized in the financial statements.

Note 20: Investments

Comprise investments as follows:

| | 30 th June 2017 Shs | 30 June 2016 Shs |
|---|--------------------------------|---------------------|
| Securities other than shares (long-term)-domestic | | - |
| Shares and other equity-domestic | | |
| Securities other than shares-foreign | | |
| Total investments | | |

Note 20: Non Produced Assets

| | 30 th June 2017 Shs | 30 June 2016 Shs |
|----------------------------------|--------------------------------|---------------------|
| Land | | |
| Cultivated Assets | | |
| Other Naturally occurring Assets | | |
| Total Non-Produced Assets | | |

Note 21: Borrowings

| | 30 th June 2017 Shs | 30 th June 2016 Shs |
|---|--------------------------------|-----------------------------------|
| DOMESTIC | | |
| Loans from commercial banks | | |
| Interest payable on bank loans/borrowings | | |
| Other / Overdraft | | |
| Total domestic borrowings | | |
| FOREIGN | | |
| Loans from multi laterals | | |
| Loans from foreign Governments | | |
| Loans from commercial banks | | |
| Interest payable on bank loans/borrowings | | |
| Other | | |
| Total foreign borrowings | | |
| Total borrowings | | |

Note 22: Payables

These are principally accounts payables, domestic and otherwise, outstanding at the year-end and comprise:

| | 30 th June 2017 Shs | 30 June 2016 Shs |
|---|--------------------------------|---------------------|
| Payables | 0 | |
| Trade Creditors | 0 | 0 |
| Sundry Creditors | 0 | |
| Committed Creditors | 0 | |
| Accountable advances | 0 | |
| Withholding tax payable | 28,507,644 | 0 |
| Deposits received | | |
| Advances from other Government units | 0 | |
| Clearing transfers from other gov't units | 0 | |
| Miscellaneous accounts payables | 0 | |

| | 30 th June 2017 Shs | 30 June 2016 Shs |
|-----------------------|--------------------------------|---------------------|
| Total payables | 28,507,644 | 0 |

Note 23: Pension liabilities

Pension liabilities have been accrued in the financial statements because it is the policy of Government to pay pensions to all former employees of the Government who qualified for pension under the provisions of the Pensions Act, Cap 281. In accordance with the provisions of the Pensions Act.

| | 30 th June 2017 Shs | 30th June 2016 Shs. |
|---|-----------------------------------|------------------------|
| Former employees in Public Service | | |
| Former employees of the Education Service | | |
| Gratuity Arrears | | |
| Total | | |

Annex (i): Pension Payroll

| | Name | Last Position held | IPPS no | Pension no. | Supplier no (IFMS) | Amount |
|---|------|--------------------|---------|-------------|--------------------|--------|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |

Annex (ii): Schedule of Inventory

| | Category | Opening balance as at 1st July 2015 Cost Shs | Purchase/ Additions Cost Shs | Usage/Disposal Cost Shs | Obsolete Cost Shs | Closing balance 30 June 2016 Cost Shs |
|---|--|--|---------------------------------------|-------------------------------|-------------------------|---|
| 1 | e.g Drug (a), Visa stickers, Passports | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |