



TRANSITIONAL ACCRUAL BASIS

IPSAS FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2020

KADUNA STATE GOVERNMENT
JANUARY 2021

2018



2019



2020



Table of Contents

FOREWORD	2
RESPONSIBILITY FOR FINANCIAL STATEMENTS.....	3
AUDIT CERTIFICATE	4
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONSOLIDATED STATEMENT OF CASH FLOWS	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (PREPARED ON CASH BASIS)	11
NOTES TO THE FINANCIAL STATEMENTS	13
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	13
SUB CLASSIFICATION OF BALANCES	32
OTHER REPORTS.....	62
2018 – 2020 PROGRAM FOR RESULTS (P4R) DETAILED EXPENDITURE FRAMEWORK PER MDA	62
SFTAS EXPENDITURE FRAMEWORK.....	65
COVID-19 RELATED INCOME AND EXPENDITURE	69

FOREWORD

The better part of year 2020 has been unusual to say the least. This is true for all countries, companies and industries due to impacts of the COVID-19 Pandemic on mostly the health and economic sectors. As a people, we have seen and felt the great opportunities and challenges that such a major blow like the COVID-19 pandemic can have on our daily businesses and on public governance. Since the inception of Mallam Nasir El-Rufai's administration, KDSG continues to fine-tune the policies and strategies of sound Public Finance Management (PFM) in resource utilization and with the institution of non-linear-thinking in solving the challenges brought about by the largely unanticipated Covid-19 Pandemic. This administration always sees the cup as 'half full' irrespective of the prevailing circumstances. The foregoing has given the State Government the ability to be flexible, adapt and learn new ways of achieving more with less. Evidently, the government's resilience established has already begun to bear fruits as demonstrated by the little or no disruption in activities needed to realize the Kaduna State Master Plan envisioned by His Excellency, the Governor.

There is perhaps no better time for a responsive government to show accommodation and empathy than this. The government approved a number of Covid-19 tax incentives for all residents of Kaduna State covering: extension of deadline for filing tax returns, waiver of penalties and interest for late filing of returns, tax rebates, introduction of grace periods for payment of consumption tax by the entertainment and hospitality sectors. In addition, the State piloted innovative revenue drive with the introduction of Public Service on Wheels. This involves revenue officers de-stressing Kaduna State residents by moving revenue generation channels from house to house at their doorsteps across the State.

In spite of the Pandemic, the State achieved impressive performance in its IGR with earnings of 66.28% over and above the budgeted amount. Investments in social and infrastructural projects through government capital expenditure was 89% for the year 2020 revised budget. Recurrent expenditure was kept at tolerable levels, within and below budgets.

In the area of Transparency and Accountability in Governance, Kaduna State, for the second consecutive year, maintained its lead among all States of the Federation and the Federal Government in the ICAN-Accountability Index (ICAN-AI). Going forward, we will spare no efforts at bringing 'daylight' into all government businesses and transactions.

Our transparency continues to give confidence to Development Partners in their dealings with KDSG. This is evident in the massive urban renewal and rural development projects with unmatched scale and scope in the year 2020.

As we move to contain and recover from the Covid-19 Pandemic, please stay safe.

Muhammad Bashir Saidu

Hon. Commissioner of Finance

RESPONSIBILITY FOR FINANCIAL STATEMENTS



OFFICE OF THE ACCOUNTANT GENERAL
MINISTRY OF FINANCE
KADUNA STATE, NIGERIA

The Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB) and the Financial Reporting Council of Nigeria (FRCN). As indicated in the Notes to the Financial Statements, the year 2020 Financial Statements is two year beyond the three years transitional relief period of IPSAS 33 (First Time Adoption of Accrual Basis IPSAS) but due to the inconclusive valuation of legacy assets, certain transitional exemptions still apply.

As the Accountant General, and the State's Accounting Officer for receipts and payments of Government, I am saddled with the responsibility of general supervision of accounts and the preparation of Accrual Basis IPSAS Financial Statements.

To fulfil these responsibilities, I am to ensure that proper accounting records are maintained; applicable International Public Sector Accounting Standards are applied; judgments and estimates made are reasonable and prudent; and internal control procedures are instituted to provide reasonable assurances that financial transactions are validly recorded to prevent fraud and irregularities with resources are safeguarded.

Efforts were made to ensure that these Financial Statements reflect the true and fair view of the Financial Position of Kaduna State Government as at 31st December 2020 and its Operations for the year ended on that date.

I accept responsibility for the integrity of these Financial Statements, the information contained therein, and hereby declare that they comply with IPSAS 33 and the Guidelines issued by the FAAC Technical Sub Committee on IPSAS Implementation.

Shizzer Bada B.Sc. (Hons.), MBA, CPA(Ireland), FCNA, FSCA, ACTI, MNIM, ACCA IPSAS Certified
FRC/2019/002/0000020054

Accountant General, Kaduna State

30th January, 2021

AUDIT CERTIFICATE

OFFICE OF THE AUDITOR - GENERAL KADUNA STATE

No. 14A Abdulrahman Okene Road,
(Formerly Lafia Road)
P.M.B. 2018, Kaduna.



E-mail: oagkadunastate@gmail.com

OAG/KDS/AAA.31/2020/125

17th March, 2020

Ref: _____

Date: _____

AUDIT CERTIFICATE

The Financial Statements of the Government of Kaduna State of Nigeria for the year ended, December 31, 2020 have been audited in accordance with section 125 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and the Kaduna State Audit Law of 2020.

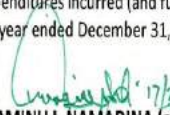
The Audit was conducted in accordance with International Standards on Auditing and INTOSAI Auditing Standards.

In the course of the audit, I evaluated the overall adequacy of the information presented in the General-Purpose Financial Statements which were prepared in accordance with Accrual Basis International Public Sector Accounting Standards (Accrual Basis IPSAS). As describe in note 2.2. I have obtained information and explanation(s) that to the best of my knowledge, was relevant and necessary for the purposes of the audit. The Audit has provided me with reasonable evidences and assurances which formed basis of my independent opinion.

In my opinion, the Financial Statements which were in agreement with the books of accounts and records show a true and fair view of the Financial Position of the Government of Kaduna State for the year ended, December 31, 2020 and the transactions for the fiscal year ended on that

Special Opinion:

The State is eligible to receive financing from the World Bank subject to performance against predefined criteria in the Program for Results (P4R) and States Fiscal Transparency, Accountability and Sustainability (SFTAS). The expenditure frameworks (and receipts) are detailed in 'Other Reports (see table of content) in the attached General Purpose Financial Statements of Kaduna State Government. In my opinion, the schedules shown in 'Other Reports' present fairly, in all material respects, the expenditures incurred (and funds received) against the P4R and SFTAS Program by the State for the year ended December 31, 2020 in accordance with IPSAS a described in Note 2.2.


AMINU I. NAMADINA (CMA)
Auditor-General.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE PERIOD ENDED 31 DECEMBER 2020

STATEMENT No. 1

	NOTES	31 DEC. 2020 N'000	31 DEC. 2019 N'000
Revenue			
Non Exchange Transactions	3	127,653,821	129,580,780
Exchange Transactions	4	30,304,567	33,047,540
Total Revenue		157,958,388	162,628,320
Expenses			
Consulting and professional services	5	3,395,193	1,439,982
Employee benefits	6	55,879,789	42,864,633
Fuel and lubricants	7	492,630	505,389
Grants and contributions	8	7,752,679	1,793,459
Insurance	9	60,870	79,601
Materials and supplies	10	6,751,113	9,883,948
General expenses	11	6,581,763	6,646,209
Other services	12	3,544,154	895,445
Repairs and maintenance	13	628,589	2,733,344
Security and safety	14	5,507,203	6,131,625
Social benefits	15	1,063,864	870,603
Training and human capital development	16	793,348	3,081,286
Travel and transport	17	637,611	1,994,017
Utilities	18	1,180,314	684,942
Waste Management and Disposal	19	756,034	1,278,474
Depreciation and amortisation	20	9,150,109	10,340,586
		104,175,263	91,223,543
Excess of income over expenses before interest		53,783,125	71,404,778
Interest Expense	21	4,469,130	3,126,732
Surplus for the period		49,313,995	68,278,046

Shizzer Bada

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30th January, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

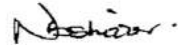
AS AT 31 DECEMBER, 2020

STATEMENT No. 2

DESCRIPTION	NOTES	31 DEC. 2020 N'000	31 DEC. 2019 N'000
ASSETS			
CURRENT ASSETS			
Inventory	22	1,692,934	1,580,536
Receivables	23	25,350,516	42,678,092
Reimbursables from the Federal Government	24	17,830,000	17,830,000
Cash and cash equivalents	25	14,298,951	9,953,385
Prepayments	26	21,745,938	466,190
TOTAL CURRENT ASSETS		80,918,339	72,508,205
NON CURRENT ASSETS			
Property, Plant and Equipment	27	528,386,864	438,414,871
Investment Property	28	1,890,501	1,905,966
Biological Assets	29	13,542,095	16,984,518
Intangible Assets	30	2,337,490	672,238
Available for sale financial assets	31	7,457,692	7,360,400
TOTAL NON CURRENT ASSETS		553,614,642	465,337,994
TOTAL ASSETS		634,532,981	537,846,198
LIABILITIES			
CURRENT LIABILITIES			
Liabilities and Accruals	32	14,529,030	18,678,064
Provisions	33	2,932,200	2,820,645
Financial Liabilities	34	783,162	723,306
TOTAL CURRENT LIABILITIES		18,244,392	22,222,015
NON CURRENT LIABILITIES			
Financial Liabilities	34	253,473,287	200,888,700
Employee Benefits	35	138,296,456	131,546,976
TOTAL NON CURRENT LIABILITIES		391,769,743	332,435,676
TOTAL LIABILITIES		410,014,135	354,657,691
NET ASSETS/EQUITY		224,518,846	183,188,508

NET ASSETS/EQUITY

Accumulated surplus	35	221,708,170	179,356,040
Available for sale reserves	36	2,810,676	3,832,467
NET ASSETS/EQUITY		224,518,846	183,188,508



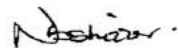
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30th January, 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER, 2020

STATEMENT No. 3	31 DEC. 2020	31 DEC. 2019
	N'000	N'000
Surplus/(Deficit) for the period	49,313,995	68,278,046
Add back:		
Depreciation and amortisation	9,150,109	10,340,586
Impairment of Biological Assets	3,442,423	-
Interest expense	4,469,130	3,126,732
Changes in working capital		
Inventories	(112,398)	(261,198)
Increase in receivables	17,327,576	(29,521,174)
Increase in prepayments	(21,279,748)	4,310,325
Increase/(decrease) in liabilities and accruals	(4,149,034)	(11,879,800)
(Decrease)/Increase in provisions	111,555	2,473,058
Increase in employee benefits	6,749,480	43,783,285
Cash generated from operations	65,023,090	90,649,860
Interest paid	(4,469,130)	(3,126,732)
Net Cash Flow from Operating Activities	60,553,960	87,523,128
Cash flow from investing activities		
Land	(30,867)	-
Building	(33,297,848)	(37,179,925)
Furniture and fittings	(1,341,343)	(1,101,414)
Road infrastructure	(49,500,759)	(75,436,255)
Water infrastructure	(8,736,341)	(3,602,326)

Vehicle	(3,326,303)	(5,152,185)
Equipment	(2,651,806)	(9,611,200)
Plant	(104,724)	(3,175,197)
Purchase of Biological Assets	-	(10,849)
Purchase of Intangible Assets	(1,747,636)	(310,978)
Investment property	(34,262)	(1,759,699)
Purchase of Financial Assets	(1,119,083)	(114,950)
Net Cash Flow from Investing Activities	(101,890,973)	(137,454,978)
Financing activities		
Principal loan repayment	(3,829,817)	(2,847,673)
Long term borrowings	35,170,246	60,832,500
DMO Reconciliation	14,342,149	-
Net Cash Flow from Financing Activities	45,682,578	57,984,826
Opening balance of cash and cash equiv	9,953,386	1,900,409
Net changes in cash and cash equiv	4,345,565	8,052,976
Closing balance of cash and cash equiv	14,298,951	9,953,386



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30th January, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

STATEMENT No. 4

AS AT 31 DECEMBER 2020		Accumulated Surplus N'000	Available for sale reserve N'000	Total N'000
Opening balance		179,356,040	3,832,467	183,188,508
Surplus for the period		49,313,995	-	49,313,995
Fair value change in Financial Assets	37	-	(1,021,791)	(1,021,791)
Net change in transitional adjustments	38	(6,961,865)	-	(6,961,865)
Closing balance		221,708,170	2,810,676	224,518,846

STATEMENT OF CHANGES IN EQUITY/NET ASSETS

AS AT 31 DECEMBER 2019

		Accumulated Surplus N'000	Available for sale reserve N'000	Total N'000
Opening balance		111,777,995	3,913,230	115,691,224
Surplus for the period		68,278,046	-	68,278,046
Fair value change in Financial Assets	37	-	(80,762)	(80,762)
Net change in transitional adjustments	38	(700,000)	-	(700,000)
Closing balance		179,356,040	3,832,468	183,188,508

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30th January, 2021

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (PREPARED ON CASH BASIS) FOR THE PERIOD ENDED 31 DECEMBER 2020

STATEMENT No. 5	2020 Budget	2020 Actual	Variance
	N'000	N'000	N'000
Revenue from Non Exchange Transactions			
Statutory Allocation	33,526,617	44,670,588	11,143,970
Value Added Tax Allocation	14,766,592	18,298,065	3,531,473
Aids and Grants	60,728,724	20,270,107	(40,458,617)
Direct Taxes	7,641,150	26,277,002	18,635,853
Licenses	1,407,784	804,268	(603,516)
Sub Total (A)	118,070,867	110,320,030	(7,750,837)
Revenue from Exchange Transactions			
Sales	1,737,550	353,271	(1,384,279)
Fees	19,257,413	19,600,767	343,353
Rent of Government Property	376,728	1,883,894	1,507,166
Sub Total (B)	21,371,692	21,837,932	466,240
Total Revenue (A + B) = C	139,442,558	132,157,962	(7,284,597)
Other Budget Financing			
Development Partners	61,159,160	35,170,246	(25,988,913)
Beginning Balance	23,000,000	23,000,000	-
Sub Total (D)	84,159,160	58,170,246	(25,988,913)
Total Budget Financing (C + D)	223,601,718	190,328,208	(33,273,510)
Expenditure budgeted by nature of cost			
Personnel Cost (excluding Covid19)	36,197,045	33,843,934	(2,353,112)
Overhead Charges (excluding Covid19)	24,475,689	13,349,405	(11,126,283)
Covid19 Personnel Cost	12,304,621	11,800,000	(504,621)
Covid19 Overhead Charges	4,512,126	4,200,000	(312,126)
Sub total	77,489,480	63,193,339	(14,296,142)

Capital Expenditure by Sectors

Sub-Sector: Economic

Agriculture	145,661	130,631	(15,029)
Business Innovation and Technology	998,619	895,582	(103,038)
Housing and Urban Development	2,067,455	1,854,134	(213,320)
Public Works and Infrastructure	6,276,569	3,628,951	(2,647,618)
Covid19 Capital Expenditure - Economic Sector	44,733,117	42,117,545	(2,615,572)
Total for Sub-sector: Economic	54,221,421	48,626,844	(5,594,577)

Sub-Sector: Social

Education	8,668,917	5,274,457	(3,394,461)
Health	5,764,241	5,169,485	(594,756)
Social Development	252,805	226,720	(26,084)
Covid19 Capital Expenditure - Social Sector	49,178,576	46,604,321	(2,574,255)
Total for Sub-sector: Social	63,864,539	57,274,983	(6,589,556)

Sub-Sector: Regional

Environment and Natural Resources	864,688	525,469	(339,219)
Water	617,586	453,863	(163,723)
Covid19 Capital Expenditure - Regional Sector	3,936,422	3,880,262	(56,161)
Total for Sub-sector: Regional	5,418,696	4,859,594	(559,102)

Sub-Sector: General Administration

Executive	5,933,856	4,321,599	(1,612,256)
Governance	865,120	775,857	(89,263)
Law and Justice	358,743	321,728	(37,015)
Legislature	946,353	848,708	(97,645)
Covid19 Capital Expenditure - General Admin Sector	14,503,510	14,007,035	(496,475)
Total for Sub-sector: General Admin	22,607,582	20,274,927	(2,332,655)
Totals	146,112,238	131,036,348	(15,075,890)

Shizzer Bada

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30th January, 2021

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES



1. General information

The State financial statements for the year ended 31 DECEMBER 2020 were authorized for issue by the Accountant General on 30th January, 2021. Kaduna State Government's (KDSG's) principal activities are the provision of social, infrastructure, educational, housing, justice, transport, agricultural and health services, waste management and emergency services. The State's registered office is located at Independence Way, Kaduna North, Nigeria.

2.1 Statement of compliance with IPSAS and transitional explanations

The Federal Executive Council of Nigeria approved the adoption of International Public Sector Accounting Standards (IPSAS) in July 2010. Public Sector Entities were required to adopt, prepare and present 2016 Financial Statements using Accrual Basis IPSAS and Kaduna State was in compliance with Accrual Basis IPSAS from that date. IPSAS therefore became the National Standards in the Public Sector from 2016 and all references to National Standards, if any, refers to the International Public Sector Accounting Standards (IPSAS).

The financial statements have been prepared in accordance with accrual basis International Public Sector Accounting Standards (IPSASs). IPSAS 33 (First Time Adoption of Accrual Basis IPSAS) allows KDSG a period of up to three years to recognize and/or measure certain assets and/or liabilities. The Government views the exercise of identifying and measuring legacy assets as very strategic. Hence KDSG has chosen to be diligent in its approach and consequently require more time to fully accomplish the exercise. Based on the progress made so far, it is expected that the exercise would be concluded soon.

In its transition to accrual basis IPSASs, KDSG took advantage of this transitional exemption for its yet-to-be-valued and yet-to-be-recognized assets and liabilities. Coordinated efforts are currently being made to establish **fair value assessment** of all immovable assets controlled by the State. This is to be achieved, in part, through the constitution of a technical committee of relevant and experienced professionals from the Ministry of Works and other Infrastructure related MDAs.

As a result of the foregoing, KDSG is unable to make an explicit and unreserved statement of compliance with accrual basis IPSASs in preparing its transitional IPSAS financial statements for this reporting period.

The State financial statements are presented in Nigerian Naira, which is the functional and reporting currency and all values are rounded to the nearest thousand except where the thousand sign (N'000) is not indicated. The accounting policies have been consistently applied to all the years presented.

The State financial statements are prepared on an accrual basis, except for the Statement of Cash flows and the Statement of Budget comparison with actual amount.

2.2 Summary of significant accounting policies

a) Consolidation

Controlled entities

The controlled entities are all those entities over which KDSG has the power to govern their financial and operating policies. The entities are Kaduna State Property Development Company, Kaduna Investment and Finance Company Limited, Kaduna State Market Development and Management Company Limited, Kaduna State Transport Authority. These controlled entities are fully consolidated from the date in which control is attained by KDSG. They are de-consolidated from the date that control ceases. Inter-entity transactions, balances and unrealized gains and losses on transactions between members of the State are eliminated in full. The accounting policies of the controlled entities are consistent with the policies adopted by KDSG.

b) Interest in joint venture and associates

Where the State has an interest in a joint venture which is a Joint Arrangement, whereby the venturers have a binding arrangement that establishes joint control over the economic activities of the entity, the State recognizes its interest in the joint venture using the equity method of consolidation. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the surplus or deficit of the investee after the date of acquisition. The investor's share of the investee's surplus or deficit is recognized in the investor's surplus or deficit. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's equity that have not been recognized in the investee's surplus or deficit. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognized in net assets/equity of the investor.

KDSG has neither associates nor joint ventures as at 31st December, 2020.

c) Current versus non-current classification

KDSG presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The State classifies all other liabilities as non-current.

d) Revenue recognition

Revenue from non-exchange transactions

Fees, taxes and fines

The State recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

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 State and can be measured reliably.

Revenue from exchange transactions

Rendering of services

The State recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours or cost incurred to date as a percentage of total estimated labor hours or total cost.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the State.

Interest income

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

Dividends

Dividends or similar distributions are recognized when the shareholder's or the State's right to receive payments is established.

Rental income

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

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time the cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment properties primary comprise irrigation assets and other rental yielding buildings.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 40-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

f) 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 State recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhaul 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.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Buildings	45 - 55 years
Infrastructure assets water	20 - 22 years
Infrastructure assets – others	20 – 22 years
Plant & Machinery	5 - 12 years
Furniture & Fittings	5 - 7 years
Vehicles	5 – 7 years
Office & Other Equipment	4 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

The State derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

g) Leases

State as a lessee

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the State. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value

of the future minimum lease payments. The State also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the State will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the State. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

State as a lessor

Leases in which the State does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

h) 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.

Intangible assets with a finite life are amortized over its useful life:

Software 10 - 15 years

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. Intangible assets with indefinite useful life are tested for impairment at least once year regardless of impairment indicators.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

Research and development costs

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

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

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

i) Impairment of non-financial assets

Impairment of cash-generating assets

At each reporting date, the State assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the State estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

Impairment of non-cash-generating assets

The State assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the State estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the State has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the State determines fair value less cost to sell based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the State estimates the asset's recoverable service amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

j) Financial instruments

Financial assets

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 State determines the classification of its financial assets at initial recognition.

The State's financial assets include: cash and short-term deposits; trade and other receivables; loans and other receivables; quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus and deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with changes in fair value recognized in surplus or deficit. KDSG does not have any 'financial assets at fair value through surplus or deficit' as at 31 DECEMBER 2020.

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. KDSG does not have any 'loans and receivables' as at 31 DECEMBER 2020.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the State 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. KDSG does not have any 'held to maturity' as at 31 DECEMBER 2020.

Available-for-sale financial assets

The State classifies available-for-sale financial assets as non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity or financial assets at fair value through surplus or deficit.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with gains or losses recognized directly in net assets through the statement of changes in net assets until the financial asset is derecognized, at which time the cumulative gain or loss is recognized in surplus or deficit.

Derecognition

The State derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when:

- The rights to receive cash flows from the asset have expired or is waived
- The State has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the State has transferred substantially all the risks and rewards of the asset; or (b) the State has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The State assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group 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 group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the State first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the State determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the State. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

Available-for-sale financial assets

For available-for-sale financial assets, the State assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of financial assets classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value was below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the surplus or deficit – is removed from the reserve in net assets and recognized in surplus or deficit.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in surplus or deficit.

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 State 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.

The State's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the State that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

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.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the State statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, 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. For the purpose of the State's statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

l) 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 condition are accounted for, as follows:

- Raw materials: purchase cost
- Finished goods and work in progress: cost of direct materials and labor 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. 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 State.

m) Provisions

Provisions are recognized when the State 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 State 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. The provisions primarily arise from ongoing litigations and from long-term environmental obligations for which there is present obligations, outflow is probable and reliable estimates could be made.

Restoration / Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the restoration/decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of financial performance as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

The State 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 State does not recognize a contingent asset, but discloses details of a probable 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 State 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.

n) Changes in accounting policies and estimates

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

The State recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

o) Employee benefits

Retirement benefit plans

The State provides retirement benefits for its employees and political officer holders.

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 based on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis. The contributions and lump sum payments reduce the post-employment benefit obligation.

Short and long-term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognized during the period in which the employee renders the related service. The State recognizes the expected cost of performance bonuses only when the State has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

The State provides long-term incentives to eligible employees, payable on completion of years of employment. The State's liability is based on an actuarial valuation. The projected unit credit method has been used to value the obligation. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Payables and receivables 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.

q) 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.

r) Related parties

The State 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 State, or vice versa. Members of key management are regarded as related parties and comprise the State Executive Committee Members and Heads of Ministries, Departments and Agencies.

s) Service concession arrangements

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

t) Budget information

The State intends to prepare accrual basis budget in the nearest future when all planned costs and income are presented in a single statement to determine the needs of the State. As a result of the adoption of the accrual basis for budgeting purposes, there would be no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Pending the transition to accrual basis budgeting however, the State would prepare statements of budget comparison on cash basis.

u) Significant judgments and sources of estimation uncertainty

The preparation of the State'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.

Judgments

In the process of applying the State's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the State financial statements.

Operating lease commitments – State as lessor

The State has entered into property leases of certain of its properties. The State has determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

In accordance with IPSAS 1 P. 140, the key assumptions concerning the future and other key sources of estimating 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 State based its assumptions and estimates on parameters available when the State 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 State. Such changes are reflected in the assumptions when they occur.

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:

- The condition of the asset based on the assessment of experts employed by the State
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Impairment of non-financial assets – cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact management's estimations and require a material adjustment to the carrying value of tangible assets.

The State reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Cash-generating assets are stated at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates of expected future cash flows are prepared for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Impairment of non-financial assets – cash generating assets

The State reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that there may be a reduction in the future service potential that can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the State undertakes impairment tests, which require the determination of the fair value of the asset and its recoverable service amount. The estimation of these inputs into the calculation relies on the use of estimates and assumptions. Any subsequent changes to the factors supporting these estimates and assumptions may have an impact on the reported carrying amount of the related asset.

Fair value estimation – financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the

consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers.

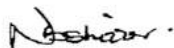
The increase in the restoration provision due to passage of time is recognized as finance cost in the statement of financial performance.

The cost of ongoing programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.

Held-to-maturity investments and loans and receivables

The State assesses its loans and receivables and its held-to-maturity investments at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the State evaluates the indicators present in the market to determine if those indicators are indicative of impairment in its loans and receivables or held-to-maturity investments.

Where specific impairments have not been identified the impairment for receivables, held-to-maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.



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FRC/2019/002/00000020054

Accountant General, Kaduna State

30th January, 2021

SUB CLASSIFICATION OF BALANCES

3 Revenue from Non - Exchange Transactions	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Gross Allocation from Federation Accounts	42,561,248	54,233,605
Non-Oil Revenue (Share of Solid Minerals)	526,875	69,881
Share of Good and Value Consideration	-	562,245
Share of forex equalization	1,779,638	425,700
Excess bank charges	487,418	128,277
Excess crude	-	459,931
Value added tax	20,553,733	16,866,419
Exchange Gain Differences	1,380,913	91,791
Share of Stabilization Account	184,645	-
FGN Intervention Fund	1,156,618	-
Share of additional fund from NNPC	-	80,321
Aids and Grants (See Note)	20,270,107	13,495,192
Taxes, Stamp Duty - KADIRS	38,126,120	42,731,409
Land use charge - Ministry of Finance	-	121,255
License - Ministry of Health	7,946	5,602
License - Ministry of Human Services and Social Development	1,741	-
License - RUWASSA	810	-
Fines - Ministry of Environment and Natural Resources	3,515	-
Fines - High Court of Justice	8,165	6,059
Fines - Customary Court of Appeal	4,200	5,370
Fines - Sharia Court of Appeal	4,674	9,920
Fines - Kaduna State Environmental Protection Agency	180	55
Fines - Ministry of Agriculture	-	2,697
Penalty, Revocation and Re- issuance of C of O - KADGIS	3,180	4,820
Penalties - Kaduna State Traffic Law Enforcement Authority	338,418	168,491
Kaduna State Public Procurement Authority	253,674	109,427
Stamp duty - Alhuda- Huda College, Zaria	-	89
Stamp duty - Kaduna Capital School	5	234
Stamp duty - Government Secondary School Fadan Kaje	-	21
Stamp duty - Government Secondary School Ikara	-	24

Stamp duty - Science Secondary School, Kufena, Zaria	-	4
Stamp duty - Sardauna Memorial College	-	41
Stamp duty - Ministry of Education, Science and Technology	-	1,805
Stamp duty - Rimi College, Kaduna	-	42
Stamp duty - GSS Birnin Gwari	-	18
Stamp duty - Government College Kagoro	-	36
Total Non - Exchange Revenue	127,653,821	129,580,780

Aids and Grants: The World Bank donated the sum of N100,000.00 (One Hundred Million Naira) to KDSG as part of the Covid19 Interventions; whilst the Federal Government donated N1,000,000,000.00 (One Billion Naira) as Covid19 support.

4 Revenue from Exchange Transactions	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Fees, Sales, Rent - Muslim Pilgrims Welfare Board	28,988	86,248
Fees, Sales, Rent - Christian Pilgrims Welfare Board	20	120
Fees - Office of the Auditor General (State)	90	145
Fees, Sales, Rents - Ministry of Agriculture	21,164	30,605
Sales - Kaduna State Forest Management	2,100	-
Sales - Agricultural Development Project	947	-
Fees, Sales, Rent - Ministry of Finance Kaduna Industrial and Finance Company	15,214,358	12,417,017
Fees - Kaduna State Independent Electoral Commission	280	420
Fees, Sales - KADIRS	5,364	236,624
Fees, Sales, Rent - Ministry of Business Innovation and Technology	24,307	23,497
Fees - KASUPDA	813,192	423,297
Fees, Rent - Ministry of Works and Transport	10,957	91,207
Fees - Ministry of Water Resources	0	72
Fees - High Court of Justice	16,103	10,901
Fees - Customary Court of Justice	3,618	5,053
Fees - Sharia Court of Appeal	3,635	8,420
Fees, Rent - Ministry of Sports	531	21,286

Fees - Ministry of Education	-	130,926
Fees, Rent - Library Board	90	182
Fees, Sales - Nuhu Bamali Polytechnic Zaria	394,011	737,967
Fees, Sales - College of Education Gidan Waya	235,630	252,537
Fees, Rent - Capital School Kaduna	419	23,314
Fees - Barewa College Zaria	-	13,875
Fees - Al Hudda College Zaria	-	3,924
Fees - Sardauna Memorial College Kaduna	-	579
Fees - Government College Kaduna	-	2,301
Fees - Queen Amina College	-	16,002
Fees - Government Secondary School Kagoro	-	729
Fees - Government Secondary School Fada Kaje	-	2,889
Fees - Rimi College	-	673
Fees - Government Girls College Zonkwa	-	2,730
Fees, Sales, Rent - Kaduna State University	292,222	556,401
Fees - Government Science Secondary School Kufena	-	7,103
Fees - Government Science Secondary School Soba	-	8,430
Fees - Government Secondary School Kwoi	-	15,239
Fees - Government Science Secondary School Ikara	-	3,767
Fees - Science Secondary School Birnin Gwari	-	2,744
Fees - Government College Kagoro	-	6,204
Fees, Sales - Ministry of Health	102,802	136,564
Fees, Rent - College of Nursing Kafanchan	-	30,843
Fees, Sales - Shehu Idris School of Health Technology Makarfi	295,375	47,481
Fees - State Emergency Management Agency	25,592	52,255
Fees - Ministry of Environment and Natural Resources	19,184	
Fees, Sales, Rent - Kaduna State Environmental Protection Agency	53,240	39,746
Fees - Ministry of Rural and Community Development	-	3,556
Fees - Kaduna State Road Agency	40	1,620
Fees - Kaduna State Schools Quality Assurance Authority	125,753	112,059
Fees - Ruwassa	10,069	3,610
Fees, Rent - College of Midwifery Kaduna	31,444	26,431
Fees - Local Government Service Commission	530	620
Fees, Rent - KADGIS	5,938,908	9,822,403
Sales - Kaduna State Media Corporation - KSMC	99,554	102,020

Sales - Government Printing Press	23,121	16,526
Sales - Barau Dikko Teaching Hospital Kaduna	336,138	256,134
Sales - Ministry of Youth and Sports	-	675
Sales - Kaduna State Management Project (FMP)	-	2,604
Sales - Kaduna Water Corporation	4,755,372	7,248,835
Rent - Scholarship Board	-	130
Rent - Kaduna State Mining Development Company	1,072,970	
Rent - Kaduna State Market Development and Management Company	346,451	
Total Exchange Revenue	30,304,567	33,047,540

Total Revenue	157,958,388	162,628,320
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	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
4A REVENUE SPLIT BETWEEN ALLOCATION AND IGR		
Cash Internally Generated Revenue	50,768,523	43,961,831
Accrued Internally Generated Revenue (See Note 4B)	18,288,669	32,253,127
Subtotal of Internally Generated Revenue	69,057,192	76,214,958
Cash FAAC Allocation	62,968,653	66,160,106
Accrued FAAC Allocation	5,662,436	6,758,064
Subtotal of Allocation	68,631,089	72,918,170
Grants	20,270,107	13,495,192
Total Revenue	157,958,388	162,628,320

	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
4B MDA / CLASS OF REVENUE		
KADGIS	2,811,438	7,797,121
KASUPDA Fees	63,500	148,283
Kaduna State Water Corporation	4,755,372	7,248,835
Nuhu Bamali Polytechnic, Zaria	-	203,967
Kaduna State Development and Property Company Limited	1,052,970	
Shehu Idris College Health Science & Tech, Makarfi	189,720	-
Kaduna State Media Corporation	31,593	7,266
Kaduna State Market Development Co. Limited	20,662	-
Kaduna State Quality Assurance Authority	9,647	-
Ministry of Business Innovation and Technology	5,553	7,948
State Emergency Management Agency (SEMA)	19,271	42,606
KADIRS Accrued Revenue and Reimbursement of PAYE, VAT & WHT from FG	9,328,943	16,797,101
	18,288,669	32,253,127

SCHEDULE OF JANUARY – DECEMBER 2020 FAAC ALLOCATION

4C	MONTH	GROSS AMOUNTS N'000	EXC BANK CHARGES N'000	EXCH.GAIN N'000	SHARE OF SOLID MINERALS N'000	SHARE OF STABILIZATION ACCONT N'000	FOREX EQUA. N'000	FGN Intervention Funds N'000	VAT N'000	TOTAL N'000
	January	4,264,874	6,085	8,513	-	-	-	-	1,442,563	5,722,035
	February	3,766,411	-	6,143	-	-	122,078	-	1,311,481	5,206,113
	March	3,816,490	-	521,911	-	-	-	-	1,575,522	5,913,923
	April	2,976,310	10,360	221,308	102,178	-	1,161,984	-	1,189,882	5,662,023
	May	3,357,472	9,360	231,242	-	-	-	-	1,341,776	4,939,850
	June	3,112,273	461,613	360,599	-	-	-	-	1,735,343	5,669,828
	July	4,463,459	-	-	-	-	-	-	1,716,277	6,179,736
	August	4,415,427	-	-	-	-	-	-	2,066,733	6,482,160
	September	2,823,837	-	-	415,452	-	317,605	578,309	1,957,582	6,092,785
	October	2,912,599	-	-	9,245	184,645	59,380	578,309	1,625,233	5,369,411
	November	3,331,924	-	-	-	-	63,193	-	2,335,673	5,730,789
	December	3,320,172	-	31,197	-	-	55,399	-	2,255,668	5,662,436
	TOTAL	42,561,248	487,418	1,380,913	526,875	184,645	1,779,638	1,156,618	20,553,733	68,631,089

5 Consulting and professional services

	31 Dec. 2020 N'000	31 Dec. 2019 N'000
Revenue collection expenses	577,881	275,555
Budgeting expenses	188,058	220,464
Other services	2,629,254	943,963
Total	3,395,193	1,439,982

This is the expenditure made by Government in procuring professional services from specialists in the advancement of government programmes.

Revenue collection expenses represents performance-based incentives awarded revenue collection agencies for meeting and surpassing targets. Budget expenses are extra expenditure and incentives for budget preparation. Other services were expenses incurred in procuring expert services across various disciplines.

6 Employee benefits	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Covid19 related benefits	559,985	-
Basic salary	36,015,453	28,562,399
Entertainment Allowance	752	70,532
Furniture Allowance	1,519	137,631
Hazard Allowance	229,433	100,872
Housing Allowance	80,325	992,151
Leave Allowance	1,001,304	666,044
Legislative Allowance	30,660	76,019
Meal Allowance	-	173,220
Medical Allowance	-	309,077
Responsibility Allowance	695	7,852
Robe Allowance	46,397	110,904
Shift Allowance	169,631	90,239
Teaching Allowance	407,764	348,530
Transport Allowance	277,847	790,575
TSS Allowance	1,620,168	679,850
Utility Allowance	2,851	224,357
Vehicle Maintenance Allowance	7,344	50,240
Wages	3,441	34,630
Post-Employment Benefits	12,653,818	8,621,470
CRFC Salaries/Allowances	444,896	223,629
Other Allowances	2,325,506	594,413
	<u>55,879,789</u>	<u>42,864,633</u>

Employee benefits are establishment cost for direct and indirect employees, including political office holders. In Kaduna State, all employee benefits are consolidated.

Basic salary is a base salary from which other allowances are determined. Entertainment allowance is aimed at catering for work related entertainment of internal and external customers. Furniture allowance is meant to augment the cost of furnishing official residences of government appointees, customarily paid once in four years subject to approval. Hazard allowance is a special allowance paid to employees who work in hazardous environment, for example, hospitals, laboratories, fire services etc. Housing allowance is given to employees to augment rental charges for employees that do not enjoy government quarters. Leave allowance is paid to employees to defray cost of travelling to leave destinations. Legislative allowance is a special allowance paid to staff working with legislators. Meal allowance is meal subsidy paid to all employees. Medical allowance is aimed at subsidizing cost of medication and hospital services. Responsibility allowance is to confidential secretaries of Management staff and in certain instances, the Management staff. Robe allowance is paid to Judges and Solicitors that appear in courts and in official capacities. Shift allowance is paid to staff that run shifts involving evening and night duties. Teaching allowance is a special allowance for classroom teachers. Transport allowance is aimed at augmenting transportation cost of staff that do not qualify for official vehicles. TSS allowance is an awarded salary for all professional teachers. Utility allowance is aimed at defraying cost of utilities (water, electricity etc.). Vehicle maintenance allowance is paid to appointees to maintain official vehicles. Wages are paid to non-scheduled temporary staff. Post-employment benefits include pension and gratuities. CRFC Salaries/Allowance applies to certain employees of scheduled Commissions and Boards as first line charges. Other allowances cover such benefits as domestic staff allowance, exams supervision allowance etc.

7 Fuel and lubricants	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Motor Vehicle Fuel Cost	263,518	253,593
Other Transport Equipment Fuel Cost	24,314	25,191
Plant/Generator Fuel Cost	204,798	226,605
	492,630	505,389

Fuel and lubricants relate to the expenses incurred in running official vehicles, plant and equipment as distinct from cost of maintenance. In prior years, Sea Boat Fuel Cost and Cooking Gas Cost were separately classified but have been aggregated with Other Transport Equipment Fuel Cost and Plant/Generator Fuel Cost respectively.

8 Grants and contributions	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Cultural and Religious Expenses	259,576	338,458
Grants and Donations	2,834,457	1,136,831
Parastatals Overheads	3,450,795	283,704
Counterpart Contribution	1,207,851	34,466
	<u>7,752,679</u>	<u>1,793,459</u>

Grants and contribution relate to the Government intervention for the operations and proper functioning of quasi-government organizations and other entities that are self-accounting.

Cultural and religious expenses are government expenditure to promote activities of traditional councils including seminars and workshop for the council. Grants and donations are funding support for research or special services. Parastatals overheads expenditure relate to quasi government organization for specific purposes. Recurrent counterpart contributions are condition precedent to receiving Development related grants from external donors.

9 Insurance	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Group Personal Accident	-	37,443
Kaduna Health Insurance Scheme	-	-
Motor Vehicle comprehensive insurance	60,870	42,158
	<u>60,870</u>	<u>79,601</u>

Insurance expenditure provides covers against identified insurable risk.

Group personal accident insurance is aimed at providing group compensation to employees of government in case of death. Kaduna Health Insurance Scheme (KHIS) is a contribution towards providing medical bills cover for public servants. Motor vehicle insurance is a comprehensive cover for government vehicles.

10 Materials and supplies	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Covid19 Interventions	2,258,056	-
Books	308,835	56,299
Consumables	734,723	1,992,051
Drugs and medical supplies	1,285,255	1,542,785
Scholarship	400,280	2,431,746
Education Expenses and Examination fees	232,913	657,365
Newspapers and periodicals	33,352	57,629
Printing and stationery	259,882	477,067
School feeding	874,303	2,027,854
Water infrastructure chemicals	363,514	641,154
	6,751,113	9,883,948

Materials and supplies are consumables procured and used by government organizations in the course of service delivery.

Books are educational supplies covering text books and exercise books; they are expensed upon distribution. Consumables are materials used in the course of providing services by government covering uniforms, office stationery, and computer consumables. Drugs and medical supplies are health products, public health emergencies etc. Health related programmes separately classified in prior periods has been aggregated with Drugs and Medical supplies. Scholarship are special education support scheme for students. Education Expenses and Examination fees are education related expenses and other expenditure paid to external examination bodies. Newspapers and periodicals are magazines procured for departments and management staff for information currency. Printing and stationery are cost of producing documents and materials for documentation and communication. School feeding is a special programme of government to provide food and nutrition for pupils. Water treatment chemicals are inputs for public water purification.

Certain expenses were reclassified from General office expense category (Note 11) to Materials and supplies category in order to more accurately reflect their substance. These include Education and examination expenses, Health related programmes and Scholarship.

11 General expenses	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Catering expenses	47,014	100,752
Cleaning and fumigation	609,225	836,052
Court settlement, Legal Services and Provision (Note 33)	158,167	2,042,308
Entertainment	1,005,871	1,448,954
Honorarium and sitting allowance	2,070,820	60,514
Mass awareness	2,189,220	1,598,246
Promotion and recruitment expenses	3,883	114,786
Rent	4,044	11,078
Sporting and recreation expenses	65,420	180,695
Subscription	428,099	252,825
	6,581,763	6,646,209

General office expenses are other office expenditure of a general nature separately from stationery materials and supplies.

Catering expenses are expenditure on food items for in-house facilities for Ministries, Departments and Agencies. Cleaning and fumigation are expenditure incurred on work/office environment. Court settlement are payment and/or provisions for judgement debt. Entertainment are hospitality related expenditure in the course of service delivery. Honorarium and sitting allowance are expenses of conducting meetings and per-diem paid to non-scheduled staff. Hotel accommodation are expenses for government visitors. Mass awareness are campaigns for sensitization and awareness about government policies and programmes. Promotion and recruitment expenses are direct cost of job interviews. Rent expenses are rentals for office accommodation. Sporting and recreation expenses are youth and hospitality oriented programmes to engender youth empowerment and leisure. Subscription expenses are software renewal charges, internet access, subscription to professional bodies etc.

Certain expenses were reclassified to Materials and supplies category (Note 10) in order to more accurately reflect their substance. These include Education and examination expenses, Health related programmes and Scholarship.

12 Other services	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Seedling expenses	101,731	657,129
Agricultural immunization	-	54,135
Weeding and fire tracing	-	31,959
Restoration of River Kaduna Biodiversity Programme	-	25,900
Pre planting and post planting activities	-	26,993
Land clearance for Agricultural activities	-	30,030
Brushing, coppice reduction	-	69,300
Impairment charge on Biological Assets	3,442,423	-
	3,544,154	895,445

Seedling expenses is the cost of raising seedlings to the point of transplanting. Agricultural immunization is the protection of livestock against diseases and pests. Weeding and fire tracing are cost of maintaining tree plantations against fire outbreaks; it involves weeding of grass and brush around the perimeter of the forest. Restoration of River Kaduna Biodiversity programme involves de-silting of the river channels and streams running into the river to keep it clean and reduce sludge. Pre planting are activities undertaken before transplanting of seedlings. Post planting are the immediate activities including weeding, manuring etc. to ensure survival of the transplanted seedlings. Land clearance for agricultural activities include ploughing, harrowing and ridging preparatory to planting crops. Brushing, coppice reduction are maintenance activities to ensure that new shots from stumps are reduced to manageable numbers. Impairment charges are diminution in the fair value less cost to sell of Biological Assets.

13 Repairs and maintenance	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Repairs and Maintenance - Building	271,636	2,216,871
Repairs and Maintenance - Furniture and fittings	15,414	43,093
Repairs and Maintenance - Vehicle	199,562	214,430
Repairs and Maintenance - Equipment	59,286	93,722
Repairs and Maintenance - Plant	72,369	101,446
Repairs and Maintenance - Roads	1,092	802
Repairs and Maintenance - Others	9,230	62,980
	628,589	2,733,344

Repairs and maintenance expenses were incurred to maintain the proper functioning of the property, plant and equipment. Included in "repairs and maintenance - others is the maintenance cost of dumpsites.

14 Security and safety	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Anti-Corruption	8,000	-
Fire Fighting Materials	7,615	19,956
Printing of Security Documents	36,774	27,178
Protocol Support Services	213,094	344,498
Security Personnel Allowances	94,828	87,209
Security Services	2,202,338	2,020,077
Security Vote (Including Operations)	654,604	1,026,045
Security Vote (Preventive & Supportive Measure)	2,289,950	2,606,662
	5,507,203	6,131,625

Security and safety expenses relate to the protection of lives and property and in the maintenance of laws and order.

Fire-fighting materials expenses included materials, reagents and chemicals used in fire prevention and control. Printing of security documents expense were spent producing sensitive and controlled documents which includes stamps, receipts, vouchers etc. Security personnel allowances are paid to the security details of designated government officials. Security services are expenses in the course of providing security that may include security related supplies. Security votes are expenses related to the maintenance of the security architecture across the state.

15 Social benefits	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Welfare Packages	519,901	303,244
Social investments	543,963	567,358
	1,063,864	870,603

Social benefits are all humanity related expenditure geared towards improving their lives and living conditions.

Welfare packages are authorized expenditure to cater for welfare needs especially during festivities and to engender family and social relationships. Social investments and Empowerment of persons with disability are targeted investments aimed at improving the lives of youth and vulnerable persons in the society.

16 Training and human capital development	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Conferences and events	137,411	2,318,075
Formal training and capacity building - local	624,345	702,864
Formal training and capacity building - international	31,593	60,346
	793,348	3,081,286

Training and human development is investment in human capacity that is job and career related.

17 Travel and transport	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Local travel and transport	366,957	1,204,330
International travel and transport	270,654	789,688
	637,611	1,994,017

Travel and transport are out of station job related travels.

18 Utilities	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Electricity	996,878	562,781
Postages and Telephone	6,307	19,981
Water Rates	177,129	102,180
	1,180,314	684,942

Utility expenses are payment to providers of electricity, telephone and water

19 Waste Management and Disposal	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Refuse evacuation programme	756,034	1,278,474
	756,034	1,278,474

Waste management and disposal are expenditure on waste collection, transportation and disposal of both domestic and industrial waste.

20 Depreciation and amortization	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Irrigation	49,727	48,871
Building	1,199,545	1,352,743
Furniture & Fittings	669,278	802,948
Road Infrastructure	3,455,178	3,781,891
Water Infrastructure	450,422	454,957
Motor Vehicle	864,408	930,790
Office & Other Equipment	1,352,514	1,582,368
Plant & Machinery	1,026,652	1,361,888
Intangible assets amortization	82,384	24,130
	9,150,109	10,340,586

Depreciation expense is the systematic allocation of the depreciable amount of an item of property, plant and equipment over its useful life.

Depreciable amount is determined after deducting the residual value. For the purpose of computing depreciation, residual value is deemed to be zero. Depreciation begins when the property, plant and equipment is available for use. The useful life of each asset is reassessed at the end of every reporting period and where expectation differs from previous projections, the change is accounted for as a change in accounting estimates and treated prospectively. Depreciation is charged in the year of construction or acquisition and none is charged in the year of disposal or asset retirement.

21 Finance and other bank charges	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Interest on local loans	2,143,568	2,571,903
Interest on foreign loans	2,312,593	553,043
Other bank charges	12,969	1,786
	<u>4,469,130</u>	<u>3,126,732</u>

Finance charges are credit and bank related expenses.

Interest on local loans is determined using the effective interest method. Effective interest method is a method of calculating the amortized cost of financial liabilities and of allocating the interest expense over the loan tenor. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability. Determination of effective interest rate on foreign loans is daunting due to the complications in obtaining verifiable repayment schedules on foreign borrowings, many of which predate the establishment of debt management office (DMO). Other bank charges are bank administrative charges not related to credits.

22 Inventories	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Water treatment chemicals	584,822	98,937
Books	102,862	353,563
Agric supplies	-	128,036
Walkie Talkie	5,250	-
Buildings for sales	1,000,000	1,000,000
	<u>1,692,934</u>	<u>1,580,536</u>

Inventories are assets in the form of materials or supplies to be consumed in the production process; In the form of materials or supplies to be consumed or distributed in the rendering of services; Held for sale or distribution in the ordinary course of operations; or in the process of production for sale or distribution.

Water treatment chemicals are alum for water purification; this balance represents the inventory of unused chemicals at year end. Books are multi-year usage reference books, other than student text and exercise books that are written off as incurred. Agric supplies are inventories of farm inputs such as fertilizer and seedlings. Buildings represent investments in a Public Private Partnership between Kaduna State Mortgage and Foreclosure Agency and other private sector partners to construct residential houses for sale. The buildings were under construction as at 31 December, 2020

23 Receivables	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Kaduna Geographic Information Service (KADGIS)	2,811,438	7,797,121
KASUPDA	63,500	148,283
Kaduna State Water Corporation	4,755,372	7,248,835
State Emergency Management Agency (SEMA)	19,271	42,606
Federal Account Allocation	5,662,436	6,758,064
KADIRS Accrued Revenue and Direct taxes and other related taxes refund from FG	10,132,739	20,095,996
Nuhu Bamali Polytechnic, Zaria	-	203,967
Kaduna State Development and Property Company	1,052,970	-
Shehu Idris College Health Science & Tech, Makarfi	189,720	-
Kaduna State Media Corporation	31,593	7,266
Kaduna State Market Development Co. Limited	20,662	-
Kaduna State Quality Assurance Authority	9,647	-
Ministry of Business Innovation and Technology	5,553	7,948
Loans and advances	595,615	368,007
	25,350,516	42,678,092

These are earned revenues, demand notices and staff related advances not yet collected at year end.

23A Receivables	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Exchange	9,545,694	15,824,033
Non Exchange	15,804,822	26,854,060
	25,350,516	42,678,092

	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
24 Reimbursables from the Federal Government		
Refund on account of Operation Sharan Daji at Kamuku/Kuyambana Forest	600,000	600,000
Zaria Water Supply Expansion Project	17,230,000	17,230,000
	17,830,000	17,830,000

Refund for the renovation of Kaduna Airport, refund on account of Operation Sharan Daji at Kamuku/Kuyambana Forest. Zaria Water Supply project was a collaboration between the Federal Government, Kaduna State Government and the five benefiting Local Government Councils. The Federal Government share of N17.23b was borne by the State Government.

	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
25 Cash and cash equivalents		
Treasury Single Accounts (TSA)	3,648,247	2,178,883
Operations Accounts	10,650,703	7,774,502
	14,298,951	9,953,385

Cash represents demand deposits. Cash equivalents are highly liquid investments that are convertible to known amount of cash and with insignificant risk of change in value and that has short maturity period usually 90days from date of origination. There were no cash equivalents at year end.

	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
26 Prepayments		
Contractors prepayment	21,745,938	466,190
	21,745,938	466,190

Prepayments are advance payment and mobilization to contractors and supplies of services. Contractors prepayment are duly backed by Advance Payment Guarantees (APGs) issued by reputable financial institutions.

	LAND	BUILDING	FURNITURE & FITTINGS	ROAD INFRASTRUCTURE	WATER INFRASTRUCTURE	VEHICLE	EQUIPMENT	PLANT	TOTAL
27 COST	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
2020 Opening balance	3,007,614	182,620,323	12,044,222	226,913,473	27,297,425	13,961,850	18,988,415	20,428,316	505,261,637
Addition	30,867	33,297,848	1,341,343	49,500,759	8,736,341	3,326,303	2,651,806	104,724	98,989,991
Reclassification									
Retirement	-								
2020 Closing balance	3,038,481	215,918,171	13,385,565	276,414,232	36,033,766	17,288,152	21,640,221	20,533,040	604,251,628
ACCUMULATED DEPRECIATION									
2019 Closing balance	-	(11,589,892)	(8,258,379)	(24,691,000)	(2,979,935)	(4,931,780)	(5,999,235)	(8,396,544)	(66,846,766)
Charge for the year	-	(1,199,545)	(669,278)	(3,455,178)	(450,422)	(864,408)	(1,352,514)	(1,026,652)	(9,017,997)
Reclassification									
Retirement									
2020 Closing balance	-	(12,789,438)	(8,927,658)	(28,146,178)	(3,430,357)	(5,796,187)	(7,351,749)	(9,423,196)	(75,864,763)
2020 Carrying Amount	3,038,481	203,128,733	4,457,907	248,268,054	32,603,408	11,491,965	14,288,472	11,109,843	528,386,865

	LAND	BUILDING	FURNITURE & FITTINGS	ROAD INFRASTRUCTURE	WATER INFRASTRUCTURE	VECHICLE	EQUIPMENT	PLANT	TOTAL
27 COST	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
2019 Opening balance	3,007,614	145,440,398	10,942,808	151,477,218	23,695,099	8,809,665	9,377,215	17,253,118	370,003,135
Addition	-	37,179,925	1,101,414	75,436,255	3,602,326	5,152,185	9,611,200	3,175,197	135,258,502
Reclassification	-								
Retirement	-								
2019 Closing balance	3,007,614	182,620,323	12,044,222	226,913,473	27,297,425	13,961,850	18,988,415	20,428,316	505,261,637
ACCUMULATED DEPRECIATION									
2019 Opening balance	-	(10,237,149)	(7,455,431)	(20,909,109)	(2,524,978)	(4,000,990)	(4,416,867)	(7,034,656)	(56,579,181)
Charge for the year	-	(1,352,743)	(802,948)	(3,781,891)	(454,957)	(930,790)	(1,582,368)	(1,361,888)	(10,267,585)
Reclassification									
Retirement									
2019 Closing balance	-	(11,589,892)	(8,258,379)	(24,691,000)	(2,979,935)	(4,931,780)	(5,999,235)	(8,396,544)	(66,846,766)
2019 Carrying Amount	3,007,614	171,030,430	3,785,843	202,222,473	24,317,489	9,030,070	12,989,180	12,031,772	438,414,871

Property, plant and equipment and tangible assets held for use in the production or delivery of goods and services, for rental to other and for administrative purposes and that are expected to be used for more than one financial period.

Included in land are parcels of land purchased for right of way road construction and building of schools. Building are structures used for administrative purposes, teaching facilities, housing facilities and market and commercial purposes. Furniture and fittings include furnishings, desks, chairs, tables etc. Road infrastructure are roads constructed and rehabilitated including street lights, roads signs and other related infrastructure to facilitate mobility of human, goods and services. Water infrastructure are water related constructions including dams, canals, boreholes, storage tanks etc. Vehicles include motor and tricycles, trucks, vans, ambulances used for conveyance of persons and goods in the course of government operations. Equipment consists office equipment, electrical and mechanical appliances used in government operations. Plant includes immovable power plant and other heavy-duty installations.

Land are not depreciated except in quarry and land fill. Building are depreciated over its useful life usually within 50years. Furniture and fittings are depreciated over its useful life and within the range of 5years. Road infrastructure is depreciation over its useful life usually within 20years. Water infrastructure is depreciated over its useful life and within 20years. Vehicles are depreciated over its useful life, usually 5years. Equipment has a useful life of 4years whilst Plant is depreciated over 5years. These depreciation periods are in line with the policy contained in section 2.2(f) of the accounting policy.

The residual value and the useful life of an asset are reviewed at least at each annual reporting date and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors.

The State is yet to measure and recognize legacy assets. Logistics are in place to bring them into the books as soon as practicable.

28 Investment property	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Land irrigation - Opening balance	1,954,837	195,139
Addition in the year	34,262	1,759,699
Gross carrying amount	1,989,100	1,954,837
Accumulated Depreciation		
Opening balance	(48,871)	-
Charge for the year	(49,727)	(48,871)
Closing balance	(98,598)	(48,871)
Carrying amount	1,890,501	1,905,966

Investment property is land or a building (or part of a building – or both) held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes; or sale in the ordinary course of operations.

Land irrigation are plots of land rented out to farmers for dry season farming. It is currently being written off over 40years.

29 Biological Assets	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Plantation assets	13,518,648	16,962,726
Ranch assets	8,111	9,013
Wildlife assets	15,336	12,780
	13,542,095	16,984,518

Biological assets are living plants and animals.

Plantation assets are living trees to be used as pulp woods, fuel woods, timber; they are also used for construction, scaffolding and building. Ranch assets are living animals bred for resale. Wildlife assets are living animals kept in the zoo for exhibition. These assets are state at their Fair value less cost to sell.

30 Intangible Assets	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Opening balance	723,896	412,918
Addition - Licenses	22,930	26,888
Addition - Software	1,724,706	284,090
Gross carrying amount	2,471,532	723,896
Amortization		
Opening balance	(51,658)	(27,528)
Charge for the year	(82,384)	(24,130)
Accumulated amortization	(134,042)	(51,658)
Carrying amount	2,337,490	672,238

Intangible assets are identifiable non-monetary assets without physical substance. Intangible assets are amortized over the period of agreement or if shorter, over its useful life.

The amortization expense is recognized in the Statement of Financial Performance under the heading 'Depreciation and amortization'

31 Financial Assets	31 Dec. 2020	31 Dec. 2019
a Available for sale	N'000	N'000
N.N.D.C. Limited	200,939	200,939
Flour Mills of Nigeria Limited	7,406	6,131
Cement Company of Northern Nigeria Ltd	65,276	252,000
Kaduna Industrial and Finance Company	7,000	7,000
Niger Delta Holding	27,812	27,812
Nigeria Sovereign Investment Authority	5,857,775	6,696,066
DAAR Communication	300	36
First City Monument Bank	2,038	1,312
Unity Bank Plc.	44,098	44,098
First Bank Plc.	11,015	10,056
Take off grants - KADPMC	114,950	114,950
Guaranty Trust Bank Plc	8,721	-
Zenith Bank Plc	7,250	-
Dangote Cement Plc	10,946	-
Take off grants - Kaduna State Contributory Health Management Authority	9,387	-
Recapitalization of Kaduna State Development Company	1,000,000	-
Sub total	7,374,913	7,360,400
b Held to Maturity	82,779	-
Total	7,457,692	7,360,400

Financial assets are investments and instruments that entitle the government to receive cash or the equity instruments of other entities.

IPSAS 29 requires financial assets to be designated subsequent to initial recognition at Held to maturity, Available for sale, Loans and receivables and Fair value through surplus or deficit. The investments listed above are designated at "Available for sale" and are recognized at fair value and with fair value changes recognized in net assets/equity in accordance with IPSAS 29 p. 64b.

Held to Maturity is the amortized cost balance of Treasury Bill Investment made by Kaduna Industrial and Finance Company. The Investment will mature in July 2021.

32 Liabilities and accruals	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Liabilities on capital projects	10,496,921	16,409,100
Local Government share of IGR	3,527,024	2,268,963
Accrued Electricity and Water Rates	505,085	-
	<u>14,529,030</u>	<u>18,678,064</u>

Liabilities are accruals consist of unpaid bills to third parties.

Liabilities on capital projects represent indebtedness to contractors on projects on which certificate of values (CVs) have been raised. The CVs are raised on projects covering road infrastructure, water infrastructure, buildings etc. Utility accruals are unpaid bills on water, electricity and other utilities. Local government's share of IGR represents local government share of internal generated revenue collected by a central state agency to be remitted to the respective local governments.

33 Provisions	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Opening balance: Ongoing legal cases with 'probable' outflow	2,389,895	347,587
Additional provision/(reversal) on legal cases (see note 11)	111,556	2,042,308
2.5% Provision on Zaria Water Supply and Expansion Project	430,750	430,750
	<u>2,932,200</u>	<u>2,820,645</u>

The State has various legal cases in court; many of which are possible obligation as a result of past event, the outcome of which could result in outflow of resources or service potential. The Zaria Water provision is in respect of facilitation fee due on the receivable from the project.

34 FINANCIAL LIABILITIES	31 Dec. 2020	31 Dec. 2019
Non-Current	N'000	N'000
Zenith Bank	-	-
FG/Zenith Bank	11,963,005	12,423,878
Access Bank	8,365,738	8,688,027
Federal Government (BSF)	17,500,293	17,530,179
Development Partners	215,644,251	162,246,615
	253,473,287	200,888,700
Current		
Zenith Bank		-
FG/Zenith Bank	460,873	425,649
Access Bank	322,289	297,657
	783,162	723,306
	254,256,449	201,612,006

34A FINANCIAL LIABILITIES - MOVEMENT	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
34B Zenith Bank		
Opening balance	-	122,839
Interest accretion based on effective interest rate	-	4,179
Repayment	-	(127,018)
Closing balance	-	0.00
34C FG/Zenith Bank		
Opening balance	12,849,528	13,242,646
Interest accretion based on effective interest rate	1,009,682	1,042,213
Repayment	(1,435,331)	(1,435,331)
Closing balance	12,423,878	12,849,528

34D Access Bank		
Opening balance	8,985,684	9,260,591
Interest accretion based on effective interest rate	719,040	728,821
Repayment	(1,016,697)	(1,003,728)
Closing balance	8,688,027	8,985,684
34E Federal Government Budget Support		
Opening balance	17,530,179	16,869,000
Adjustment to beginning balance (Note 38)	-	700,000
Interest accretion	427,815	796,690
Repayment	(457,702)	(835,510)
Closing balance	17,500,293	17,530,179
34F Foreign loans		
Opening balance	162,246,615	103,432,104
Adjustment to beginning balance (Note 38)	6,961,865	-
Additional receipt	35,170,246	60,832,500
DMO Reconciliation	14,342,149	-
Interest	2,312,593	553,043
Repayment	(5,389,217)	(2,571,031)
Closing balance	215,644,251	162,246,615
	254,256,449	201,612,006

Financial liabilities above are measured at initial recognition at fair value, which is the net amount received after deducting any directly related transaction cost. They are measured and carried subsequently at amortized cost with the exception of foreign loans. Determination of contractual repayment cash flows are daunting for foreign loans, hence are carried at provisional amounts after due reconciliation and consultation with the Debt Management Office

35 Employee benefits	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Gratuity -A	66,216,486	63,063,320
Pension (defined benefits) - B	55,284,887	52,652,273
Pension (defined contributions)	18,090,510	17,229,058
Pension liability held in trust for workers without RSA Number	2,030,820	1,176,722
Severance benefits of political office holders	937,500	2,500,000
Payment of gratuity and death benefits - C	(3,858,058)	(1,924,566)
Investments domiciled in the Central Bank of Nigeria D	(405,688)	(3,149,830)
	138,296,456	131,546,976

35A Employee benefits	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Gratuity A + C	62,358,427	61,138,754
Pension (defined benefits) B + D	54,879,198	49,502,443
Pension (defined contributions)	18,090,510	17,229,058
Pension liability held in trust for workers without RSA Number	2,030,820	1,176,722
Severance benefits of political office holders	937,500	2,500,000
	138,296,456	131,546,976

Gratuity and Defined Benefits Obligations are a form of Post-Employment arrangements under which KDSG provides post-employment benefits for her employees. Under these arrangements, the obligation of Government is not limited to contributions, if any, made on behalf of the employees. In 2016, the Government discontinued the Defined Benefits Scheme and transited to Defined Contribution Plans. (Contributory Pension Scheme).

Defined contribution plans are post-employment benefit plans under which KDSG pays fixed contributions to the Pension Fund Administrators of employees' choice 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 State paid an aggregate of N6.86billion for pension and accrued rights for the State and Local Governments in the 2020 financial year.

36 Accumulated Surplus	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Beginning balance	179,356,040	111,777,995
Surplus for the period	49,313,995	68,278,046
Net transitional adjustments (see Note 38)	(6,961,865)	(700,000)
Closing balance	221,708,170	179,356,040

37 Available for Sale Reserve	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Beginning balance	3,832,467	3,913,230
Fair value movement	(1,021,791)	(80,763)
Closing balance	2,810,676	3,832,467

IPSAS 29 p. 64b requires that financial assets designated at Available for sale be measured at fair value and with fair value changes recognized in net assets/equity.

38 Transitional adjustments	31 Dec. 2020	31 Dec. 2019
	N'000	N'000
Federal Government Budget Support (Note 34E)	-	(700,000)
Foreign Loans (Note 34F)	(6,961,865)	-
	(6,961,865)	(700,000)

Year 2020 reconciliation with the Debt Management Office (DMO) resulted in additional recognition of N6.9billion of foreign loans from Development Partners and with the transitional adjustments recognized in accumulated surplus.

OTHER REPORTS

2018 – 2020 PROGRAM FOR RESULTS (P4R) DETAILED EXPENDITURE FRAMEWORK PER MDA

Cross Cutting	2018					
	PERSONNEL		OVERHEADS		CAPITAL	
	P4R - USD	ACTUAL - USD	P4R - USD	ACTUAL - USD	P4R - USD	ACTUAL - USD
Government House	279,975	563,376	2,676,496	8,308,838		
Office of the Secretary to the State Government	1,606,550	2,289,168	5,361,196	10,372,689		
Bureau Public Service Reform	-	-	33,387	30,443	207,791	14,528,277
Office of the Head of Service	579,116	346,684	2,325,292	758,285		
Civil Service Commission	162,227	134,250	57,570	83,127		
Ministry of Finance	996,706	481,202	3,428,847	293,262	2,625,582	9,298,097
Ministry of Budget and Planning	699,811	194,887	650,699	679,522	6,027,495	16,852,801
Office of the Accountant General	4,260,221	553,610	71,249,685	49,053,291		
Kaduna State Bureau of Statistics	337,223	321,777	64,097	29,374	2,316,679	8,716,966
Ministry of Agriculture and Forestry	1,997,150	1,110,487	95,078	81,028		
Results Area 1: Improving the business enabling environment		-		-		-
KADGIS	366,720	412,266	126,610	60,129	12,867,065	9,733,945
KADIPA	292,924	-	219,909	417,686	390,164	16,562,236
Ministry of Commerce, Industry and Tourism (Effective 2019: Business Innovation)	586,679	457,975	318,847	326,513		
Ministry of Environment and Natural Resources	209,558	239,890	122,945	68,157		
Ministry of Rural and Community Development	212,704	167,777	440,678	64,425		
Ministry of Women and Social Dev (Effective 2019: Human Services and Social Development)	245,661	100,496	71,825	41,318	1,442,754	10,169,794
Kaduna State Environmental Protection Authority (KEPA)	262,274	186,678	43,192	92,671	1,007,435	7,577,125
Results Area 2: Strengthening fiscal management and accountability		-		-		-
Kaduna State Public Procurement Authority	92,642	125,357	29,493	135,113	783,209	8,716,966
Office of the State Auditor General	347,154	238,730	102,581	100,462		
Office of the Auditor General - LG	327,232	281,480	97,083	92,330		
KADIRS	2,056,018	1,083,347	940,029	965,395	183,607	11,622,621
Ministry of Local Government	281,239	183,473	1,460,887	1,325,653		
Ministry of Works, Housing and Transport (Effective 2010: Public Works and Infrastructure)	894,885	329,791	529,439	103,426		
Ministry of Water Resources	177,528	187,367	47,750	40,820		
Ministry of Education, Science and Technology	2,710,740	21,064,053	375,246	1,113,197		
Ministry of Health and Human Services	1,728,097	16,502,159	140,643	119,171		
Total	21,711,034	47,556,280	91,009,504	74,756,327	27,851,781	113,778,828

KADUNA STATE GOVERNMENT
TRANSITIONAL IPSAS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

Cross Cutting	2019					
	PERSONNEL		OVERHEADS		CAPITAL	
	P4R - USD	ACTUAL - USD	P4R - USD	ACTUAL - USD	P4R - USD	ACTUAL - USD
Government House	220,027	466,855	6,408,670	11,713,731		
Office of the Secretary to the State Government	1,767,205	2,066,068	7,449,132	9,432,073		
Bureau Public Service Reform	-	-	36,289	17,716	169,131	22,173,525
Office of the Head of Service	4,246,852	444,044	2,358,103	732,164		
Civil Service Commission	146,956	186,698	32,883	161,270		
Ministry of Finance	1,096,376	982,048	5,103,459	702,769	12,028,938	14,191,056
Ministry of Budget and Planning	1,031,864	336,890	508,282	616,534	6,520,446	25,721,289
Office of the Accountant General	1,981,326	540,089	33,466,329	48,532,058		
Kaduna State Bureau of Statistics	370,945	376,999	67,131	20,352	2,182,141	13,304,115
Ministry of Agriculture and Forestry	1,776,062	1,640,362	322,631	78,539		
Results Area 1: Improving the business enabling environment	-	-	-	-		-
KADGIS	421,054	569,322	133,229	68,180	2,100,656	14,856,262
KADIPA	322,216	1,128	669,340	189,203	393,443	25,277,818
Ministry of Commerce, Industry and Tourism (Effective 2019: Business Innovation)	645,347	569,297	228,591	264,913		
Ministry of Environment and Natural Resources	230,514	228,446	202,441	36,211		
Ministry of Rural and Community Development	233,974	173,233	152,667	19,078		
Ministry of Women and Social Development (Effective 2019: Human Services and Social Development)	270,227	199,413	82,626	76,817	1,475,410	15,521,467
Kaduna State Environmental Protection Authority (KEPA)	288,501	239,154	62,387	138,771	1,023,336	6,681,408
Results Area 2: Strengthening fiscal management and accountability	-	-	-	-		-
Kaduna State Public Procurement Authority	97,678	170,505	44,450	341,726	1,038,457	13,304,115
Office of the State Auditor General	361,727	285,853	108,419	80,559		
Office of the Auditor General - LG	343,593	330,630	108,038	65,428		
KADIRS	2,261,620	1,462,769	1,769,762	1,231,141	839,344	17,738,820
Ministry of Local Government	309,363	185,621	1,528,133	1,146,907		
Ministry of Works, Housing and Transport (Effective 2010: Public Works and Infrastructure)	1,524,480	411,219	884,305	336,543		
Ministry of Water Resources	195,280	723,079	66,203	13,764		
Ministry of Education, Science and Technology	3,208,052	29,249,039	477,094	1,273,658		
Ministry of Health and Human Services	1,900,907	18,137,702	172,101	266,577		
Total	25,252,146	59,976,465	62,442,695	77,556,681	27,771,302	168,769,876

KADUNA STATE GOVERNMENT
TRANSITIONAL IPSAS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

Cross Cutting	2020					
	PERSONNEL		OVERHEADS		CAPITAL	
	P4R - USD	ACTUAL - USD	P4R - USD	ACTUAL - USD	P4R - USD	ACTUAL - USD
Government House	242,029	668,602	6,408,670	3,497,182		-
Office of the Secretary to the State Government	1,943,925	2,038,741	7,881,918	3,345,540		-
Bureau Public Service Reform		-	39,655	1,977	104,918	-
Office of the Head of Service	4,671,537	370,167	2,417,488	127,500		-
Civil Service Commission	178,856	221,823	32,883	9,696		-
Ministry of Finance	1,206,014	1,528,874	5,464,115	19,974,791	12,028,938	33,223,581
Ministry of Budget and Planning	1,083,457	535,072	513,958	1,172,904	6,102,127	5,107,184
Office of the Accountant General	2,179,458	-	33,502,395	-		-
Kaduna State Bureau of Statistics	408,040	382,316	67,131	1,303	2,151,305	20,798
Ministry of Agriculture and Forestry	1,776,062	1,254,286	330,909	2,420		-
Results Area 1: Improving the business enabling environment		-		-		-
KADGIS	463,159	564,017	124,705	21,907	2,100,656	15,618,294
KADIPA	354,438	16,266	669,340	15,172	491,803	-
Ministry of Commerce, Industry and Tourism (Effective 2019: Business Innovation)	709,881	589,341	232,919	34,871		-
Ministry of Environment and Natural Resources	253,565	181,717	202,441	5,224		-
Ministry of Rural and Community Development	257,372	-	152,667	-		-
Ministry of Women and Social Dev (Effective 2019: Human Services and Social Development)	297,250	7,641,890	90,889	2,816,485	836,066	973,135
Kaduna State Environmental Protection Authority (KEPA)	317,351	245,266	63,846	14,418	526,230	156,546
Results Area 2: Strengthening fiscal management and accountability		-		-		-
Kaduna State Public Procurement Authority	156,342	192,156	48,896	38,948	971,100	85,898
Office of the State Auditor General	397,900	329,377	108,419	58,360		-
Office of the Auditor General - LG	360,773	384,493	108,038	14,919		-
KADIRS	2,487,782	1,151,392	1,783,024	1,295,651	839,344	882,706
Ministry of Local Government	340,300	252,711	1,528,493	286,562		-
Ministry of Works, Housing and Transport (Effective 2010: Public Works and Infrastructure)	1,528,288	352,073	839,418	143,280		-
Ministry of Water Resources	214,809	17,336	67,733	3,613		-
Ministry of Education, Science and Technology	3,528,857	27,188,951	479,962	407,195		-
Ministry of Health and Human Services	2,090,998	24,458,734	186,439	4,537,432		-
Total	27,448,443	70,565,600	63,346,351	37,827,349	26,152,487	56,068,142

SUMMARY

	USD	NAIRA @ N305
P 4 R Target	\$ 489,835,169	₦ 149,399,726,545
Actual Achieved To Date	\$ 706,855,549	₦ 215,590,942,382
Excess	\$ 217,020,380	₦ 66,191,215,837

SFTAS EXPENDITURE FRAMEWORK

Kaduna State is participating in the World Bank assisted States Fiscal Transparency, Accountability and Sustainability Program for Results (SFTAS Program). For participation in the Program, the State must fully meet the Eligibility Criteria and amount earned is determined by performance against a set of Disbursement Linked Results which terms are defined in the Loan and Subsidiary Grant Agreement. The achievement of performance by the State is verified by an Independent Verification Agent. The Program Expenditure Framework for SFTAS Program comprises expenditures incurred in the following MDAs and Budget types:

Organization Description	2020			2020		
	Personnel (Inclusive of Pensions)	Year End Adjustments	2020 Revised Personnel	2020 Overhead	Year End Adjustments	2020 Revised Overhead
	N'000	N'000	N'000	N'000	N'000	N'000
Alhudahuda College, Zaria	77,946	-	77,946	670	-	670
Barau Dikko Teaching Hospital, Kaduna	1,773,213	1,863,125	3,636,339	49,980	705,796	755,776
Barewa College Zaria	82,772	-	82,772	888	-	888
Bureau for Substance Abuse, Prevention & Treatment	5,046	-	5,046	781	-	781
Bureau of Interfaith	23,816	-	23,816	411	-	411
Bureau of Public Service Reform	3,003	-	3,003	603	-	603
Christian Pilgrims Welfare Board	11,691	-	11,691	204	-	204
Civil Service Commission	67,656	-	67,656	2,957	-	2,957
College of Education, Gidan Waya	1,207,955	-	1,207,955	17,409	-	17,409
Customary Court of Appeal	691,456	-	691,456	12,966	-	12,966
Government College , Kagoro	83,468	-	83,468	548	-	548
Government College, Kaduna	87,542	-	87,542	506	-	506
Government Girls' College, Zonkwa	26,317	-	26,317	646	-	646
Government Girls' Science Secondary School, Soba	47,658	-	47,658	547	-	547
Government Girls Secondary School, Kwoi	46,657	-	46,657	724	-	724
Government House	203,924	-	203,924	1,066,640	-	1,066,640
Government Printing Department	31,897	-	31,897	471	-	471
Government Science Secondary School, Birnin Gwari	39,115	-	39,115	293	-	293
Government Secondary School, Fadan Kaje	35,639	-	35,639	303	-	303
Government Secondary School, Kagoro	56,656	-	56,656	200	-	200
High Court of Justice	780,889	-	780,889	42,523	-	42,523
Industrialization and Micro Credit Management Board	6,729	-	6,729	325	-	325

Judicial Service Commission	16,892	-	16,892	6,052	-	6,052
Kaduna Capital School	113,994	-	113,994	6,428	-	6,428
Kaduna Geographic Information Service (KADGIS)	172,025	-	172,025	6,682	-	6,682
Kaduna Investment Promotion Agency	4,961	-	4,961	4,627	-	4,627
Kaduna Power Supply Company Limited (KAPSCO)	8,610	-	8,610	1,421	-	1,421
Kaduna Roads Agency (KADRA)	56,792	-	56,792	4,049	-	4,049
Kaduna State Agricultural Development Project (KADA)	267,038	-	267,038	171	-	171
Kaduna State AIDS Control Agency (KADSACA)	60,616	-	60,616	401	-	401
Kaduna State Assembly Service Commission	65,196	-	65,196	5,356	-	5,356
Kaduna State Bureau of Statistics	116,606	-	116,606	398	-	398
Kaduna State College of Nursing and Midwifery	223,627	-	223,627	4,066	-	4,066
Kaduna State Contributory Health Management Authority (KACHMA)	34,260	-	34,260	1,871	-	1,871
Kaduna State Environmental Protection Authority (KEPA)	74,806	-	74,806	4,398	-	4,398
Kaduna State Facilities Management Agency (KADFAMA)	31,283	-	31,283	84,832	-	84,832
Kaduna State Fiscal Responsibility Commission	20,264	-	20,264	1,258	-	1,258
Kaduna State Forest Management Project	43,507	-	43,507	-	-	-
Kaduna State Health Supplies Management Agency (KADHSMA)	45,836	3,726,251	3,772,087	5,678	1,411,592	1,417,271
Kaduna State Internal Revenue Service (KADIRS)	351,175	-	351,175	395,174	-	395,174
Kaduna State Legislature	683,328	-	683,328	805,567	-	805,567
Kaduna State Liaison Office Abuja	-	-	-	6,390	-	6,390
Kaduna State Library Board	39,933	-	39,933	307	-	307
Kaduna State Livestock Regulatory Authority	2,114	-	2,114	647	-	647
Kaduna State Media Corporation	178,876	235,996	414,872	14,618	89,401	104,018
Kaduna State Mining Development Company	2,810	-	2,810	285	-	285
Kaduna State Mortgage Foreclosure Authority	-	-	-	245	-	245
Kaduna State Muslim Pilgrims Welfare Board	23,524	-	23,524	159	-	159
Kaduna State Peace Commission	6,973	-	6,973	2,924	-	2,924
Kaduna State Pension Bureau	8,803	-	8,803	1,084	-	1,084
Kaduna State Public Procurement Authority (PPA)	58,607	-	58,607	11,879	-	11,879
Kaduna State Rehabilitation Board.	65,957	-	65,957	18,744	-	18,744
Kaduna State Residents Registration Agency	1,623	-	1,623	44,233	-	44,233
Kaduna State Scholarship Board	24,503	-	24,503	7,543	-	7,543
Kaduna State Schools Quality Assurance Authority	49,410	-	49,410	108,956	-	108,956
Kaduna State Traffic Law Enforcement Agency (KASTLEA)	1,129,541	-	1,129,541	18,008	-	18,008
Kaduna State Transport Regulatory Authority	13,553	-	13,553	3,769	-	3,769

Kaduna State University (KASU)	4,196,548	-	4,196,548	82,287	-	82,287
Kaduna State Urban Planning and Dev Auth. (KASUPDA)	162,298	-	162,298	9,600	-	9,600
Kaduna State Water Service Regulatory Commission	5,288	-	5,288	1,102	-	1,102
Kaduna States Vigilance Service	2,155	-	2,155	1,129	-	1,129
Kufena College, Zaria	59,041	-	59,041	1,033	-	1,033
Local Government Service Board	25,755	-	25,755	118	-	118
Ministry for Local Government Affairs	77,077	-	77,077	87,401	-	87,401
Ministry of Agriculture	382,557	-	382,557	738	-	738
Ministry of Business, Innovation and Technology	179,749	-	179,749	10,636	-	10,636
Ministry of Education	7,855,928	436,702	8,292,630	124,194	-	124,194
Ministry of Environment and Natural Resources	55,424	-	55,424	1,593	-	1,593
Ministry of Finance	466,306	-	466,306	6,092,311	-	6,092,311
Ministry of Health	4,975,746	2,484,167	7,459,914	442,855	941,061	1,383,917
Ministry of Housing and Urban Development	11,222	-	11,222	3,023	-	3,023
Ministry of Human Services and Social Development	95,026	2,235,751	2,330,776	12,073	846,955	859,028
Ministry of Internal Security and Home Affairs	4,594	196,761	201,355	1,245,599	239,971	1,485,570
Ministry of Justice	232,727	-	232,727	70,306	-	70,306
Ministry of Public Works and Infrastructure	107,382	-	107,382	43,700	-	43,700
Ministry of Sports Development	89,001	-	89,001	51,398	-	51,398
Nuhu Bamalli Polytechnic, Zaria	1,321,827	-	1,321,827	72,393	-	72,393
Office of the Auditor-General (Local Government)	117,270	-	117,270	4,550	-	4,550
Office of the Head of Service	112,901	-	112,901	38,888	-	38,888
Office of the State Auditor-General	100,460	-	100,460	17,800	-	17,800
Planning and Budget Commission	163,197	-	163,197	357,736	-	357,736
Queen Amina College, Kaduna	76,404	-	76,404	1,335	-	1,335
Rimi College, Kaduna	94,909	-	94,909	507	-	507
Riot Damage, Rehabilitation and Resettlement	-	-	-	397	-	397
Rural Water Supply and Sanitation Agency (RUWASSA)	14,183	-	14,183	3,493	-	3,493
Sardauna Memorial College	80,074	-	80,074	854	-	854
Science Secondary School, Ikara	44,340	-	44,340	500	-	500
Secretary to the State Government	621,816	-	621,816	1,020,390	-	1,020,390
Sharia Court of Appeal	721,218	-	721,218	8,492	-	8,492
Shehu Idris College of Health Science and Tech, Makarfi	510,403	1,242,084	1,752,486	31,988	470,531	502,518
State Emergency Management Agency	84,227	-	84,227	26,573	-	26,573
State Independent Electoral Commission (SIECOM)	107,468	-	107,468	1,268	-	1,268

State Primary Health Care Development Agency	523,730	-	523,730	152,171	-	152,171
State Universal Basic Education Board (SUBEB)	123,346	-	123,346	30,752	-	30,752
Teacher Service Board	33,413	-	33,413	14,101	-	14,101
	33,223,097	12,420,837	45,643,934	12,844,098	4,705,307	17,549,405

The State was found eligible to participate in the Program for 2019 for verification and disbursements occurred during the year 2020. Verification and disbursement for 2020 is to occur in 2021. The disbursements below were received as grants from the Federal Government in the State's [Consolidated Revenue Fund] and are reflected in the activity and balances under Note 3 (Aids and Grants Revenue) and Note 25 (Cash and Cash Equivalents).

SFTAS RECEIPTS IN YEAR 2020	
USD Receipts	₦'000
SFTAS (USD 11m)	3,960,000
SFTAS (USD5m)	1,900,000
SFTAS (USD 8.1m)	3,078,000
	8,938,000

COVID-19 RELATED INCOME AND EXPENDITURE

	2020 Final Budget	2020 Actual	% Performance
	N'000	N'000	N'000
Income			
Donations - COVID-19 Response	1,430,356	2,530,356	176.90%
Total	1,430,356	2,530,356	
Recurrent Expenditure			
Covid19 Personnel Cost	12,304,621	11,800,000	95.90%
Covid19 Overhead Charges	4,512,126	4,200,000	93.08%
Total	16,816,747	16,000,000	
Capital Expenditure			
Covid19 Capital Expenditure - Economic Sector	44,733,117	42,117,545	94.15%
Covid19 Capital Expenditure - Social Sector	49,178,576	46,604,321	94.77%
Covid19 Capital Expenditure - Regional Sector	3,936,422	3,880,262	98.57%
Covid19 Capital Expenditure - General Admin Sector	14,503,510	14,007,035	96.58%
Total	112,351,626	106,609,163	

Covid19 Income and Expenditures were initially not appropriated in the Original Budget but was included in the Revised Budget in response to the sweeping health impacts of the Corona Virus and its attendant economic implications on Kaduna State economy.

A total income of N1.430 billion was budgeted as the aggregate contributions for Covid19 Response. Actual receipts was in excess of the budgeted amounts by N1.10 billion on account of N100M contributions from the World Bank and N1.0 billion from the Federal Government of Nigeria.

Covid19 budget expenditure execution ranged from 93.08% to 98.57% due to the scope and reach of KDSG's various initiatives cutting across health, education and social interventions.