



MUNICIPALITY OF NAROK

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30th, 2024

OFFICE OF THE CONTROLLER
OF BUDGET

REGISTRY

30 SEP 2024

RECEIVED

TIME:.....
P. O. Box 35616 - 00100, NAIROBI

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

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1. Acronyms & Glossary of Terms

Insert acronyms and glossary of terms used in the report e.g.

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
B.A	Bachelor of Arts
MBA	Masters in Business Administration

2. Key Entity Information and Management

a) Background information

Narok Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 and Cities and Municipal Charter on 29th October 2019. The Narok Municipality is under the County Government of *Narok* and is domiciled in Kenya.

b) Principal Activities

The principal activity

- a. Promotion, regulation and provision of refuse collection and solid waste management services;
- b. Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- c. Construction and maintenance of urban roads and associated infrastructure;
- d. Construction and maintenance of storm drainage and flood controls;
- e. Construction and maintenance of walkways and other non-motorized transport infrastructure;
- f. Construction and maintenance of recreational parks and green spaces;
- g. Construction and maintenance of street lighting;
- h. Construction, maintenance and regulation of traffic controls and parking facilities;
- i. Construction and maintenance of bus stands and taxi stands;
- j. Regulation of outdoor advertising;
- k. Construction, maintenance and regulation of municipal markets and abattoirs;
- l. Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- m. Promotion, regulation and provision of municipal sports and cultural activities;
- n. Promotion, regulation and provision of animal control and welfare;
- o. Development and enforcement of municipal plans and development controls;
- p. Municipal administration services (including construction and maintenance of administrative offices);
- q. Promoting and undertaking infrastructural development and services within municipality;
- r. Any other functions as may be delegated by the County Executive Committee Member and provided in the Urban Areas and Cities Act, 2011 and the Urban Areas and Cities (Amendment), Act 2019

Narok Municipality's vision, mission, and core objectives

Vision: An environmentally, culturally conscious, and well-governed municipality that sustainably uses its resources economically, socially and culturally empower her residents.

Mission: Marshal adequate resources for inclusive, harmonious, and sustainable growth and development of the Municipality.

c) Key Management

The Narok *Municipality's* management is under the following key organs:

- Physical Planning and Urban Development County department of in charge.
- Board of Management
- Accounting Officer Municipality Manager
- Management

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN	Position	Name
1	Municipality Manager	Stanley Koriata
2	Head of department	Chief Officer-Physical Planning

e) Fiduciary Oversight Arrangements

i) Audit and Risk Management Committee

The Audit committee is responsible for setting standards that are to be complied with in all financial transactions. The Committee evaluates the risk profile of the Municipality of Narok and prepares risk Management policy and their implementation frame work.

ii) County Assembly committees

The Narok County Assembly offers overall oversight of the fiduciary of the Municipality of Narok. The County Assembly is mandated to represent the public, prepare, and pass legislations that are there is satisfactory service delivery by the County executive and its entities. This is to ensure that the Municipality comply with law and regulations in all its financial and non- financial operations.

f) Registered Offices

P.O. Box 154-Narok
Narok Municipality offices
Narok-Mau Narok Road/Highway
KENYA

g) Contacts

Telephone: (+254) 710407453s
Website: Narokcountygovernment.go.ke

h) Bankers

NCBA-Narok
Account Name: Narok County Urban Institutional Grant Account
Account No.4355640017

...

(List the bank details where the City/Municipality has accounts)

i) Independent Auditor

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya




j) Principal Legal Adviser




The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



k) County Attorney

Narok County Attorney
P.O. BOX 898-20500
Narok County Building/House/Plaza
Narok-Nakuru Road
Narok


3. Municipality Board

Name	Details of qualifications and experience
<p>1. Board Member 1 (I <i>Mark Kitaanyu Karbolo</i></p> 	<p><i>Born in 1956 in Narok County.</i></p> <p>Holder of B.A degree in Sociology. Minor in social work, MBA IN corporate Management from the KCA University.</p> <p>Served in several Board of management as chairperson, member and Co-opted member capacities. Currently working as chairperson Narok County Municipality.</p>
<p>2. Board Member 2 Racheal Karei</p> 	<p>30 years of teaching experience in higher education. More passionate about the education of the girl child.</p> <p>Currently Lecturing at Moi University Eldoret.</p> <p>She is the Narok Municipality Board Vice Chairperson.</p>
<p>3. Board Member Josphine Nerishet</p> 	<p>Born in 1990, Bachelor of Arts in Economics holder and a member of social services, environment and Audit committees.</p>
<p>vi</p>	


<p>4. Board Member George Karaya Mochu</p> 	<p>Born in 1996 in Narok County. A university graduate done Bachelors of Arts economics.</p> <p>Currently he is self-employed in the production of briquettes industry. (Direct substitutes to charcoal). He is the Chairperson of Municipality services committee.</p>
<p>5. Board Member Julius Mokita</p> 	<p>Born in 1977, Diploma holder in community development. Trained as first aider, critical thinker and problem solver.</p> <p>Worked as a product quality controller with Tin can Manufacturers, Program officer with Africa foundation and Angle in Africa in the same capacity.</p>
<p>6. Board Member Ntolei Lemurt</p> 	<p>Born in 1970 in Narok County. Holder of Bachelor degree in Arts-Economics from the University of Nairobi. Worked with the then Local Authorities in Various capacities as a Revenue Officer, Senior Administrator and Internal Auditor. Currently working with Nairobi city Government as an Assistant Director Administration-finance and economic planning sector.</p>
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<p>7. Board Member</p> <p>Joseph Kayioni</p> 	<p>Board Member.</p> <p>Born in 1949</p> <p>Holder of accounting certificate.</p> <p>Worked with the former defunct Local Authorities-Narok Nakuru, Kakamenga County Councils and Nairobi city council as Clerk and Treasurer capacities.</p> <p>He is the risk management chairperson.</p>
<p>8. Manager</p> <p>Stalnley Koriata</p> 	<p><i>Born in 1966.</i></p> <p><i>Holder of Diploma from the by the Kenya Polytechnic in water engineering, B.A degree in Lands Economics from the University of Nairobi.</i></p> <p><i>Worked in former Local Authority as head of public works, town planning department and Chair Puan SACCO.</i></p> <p><i>Currently Municipal Manager- Municipality of Narok</i></p>

4. Key Management Team

Name	Details of qualifications and experience
<p>1. Vivian Sereti Mpetti County Executive Committee Member</p> 	<p><i>Ms Vivian was appointed the CECM Lands and Housing on 28th October 2022. She previously served as the CECM in the same docket and earlier as CECM Health and Medical services as from February 2015. Ms Vivian graduated from the University of Nairobi in 2011 with a Bachelor degree of Arts with a double major in Geography and Tourism. Until her appointment as a CECM, she served as the Reservation Manager in the hotel industry.</i></p>

Name	Details of qualifications and experience
<p>2. Daudi Naisho Chief Officer -Physical Planning and Urban Development.</p> 	<p><i>Profession: Agriculture Engineers Education credential: MA: Governance and Ethics, BS: Agricultural Engineering, Diploma in Finance and Banking Work Experience: Over 20 years in Senior Management of Agriculture department. Current position: Chief officer, physical planning and urban development. Appointed as Chief Officer-Physical Planning and Urban Development in October 2022</i></p>

Name	Details of qualifications and experience
<p>3.Manager-Municipality of Narok Stanley Koriata</p> 	<p><i>Born in 1966.</i></p> <p><i>Holder of Diploma in water Engineering from the by the Kenya Polytechnic, B.A degree in Lands Economics from the University of Nairobi.</i></p> <p><i>Worked in former Local Authority as head of public works, town planning department and Chair to a County Council SACCO.</i></p> <p><i>Currently working as the Narok County Municipal Manager.</i></p>

Key projects and investment decisions the entity is planning/implementing.

- Fencing of Narok Cemetery Land.
- Construction of block 7 open air market.
- Customer Satisfaction.

Major risks facing the entity.

The Municipality of Narok being Semi-Autonomous in nature in carrying out its mandates, mostly depends on the County executive in decision making leading to operational risk.

Also the Municipality is not an income generating unit, Mostly depends on the County Government and other Development partners to facilitate its operations financial risk.

The entity's financial probity and serious governance issues

No any financial improbity and no issues such as conflicts of interest among the Board members and top management.

5. Statement of Management's Responsibilities

Section 16 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Accounting Officer of the Municipality established by Urban Areas and Cities Act No. 13 of 2011 shall prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Municipality manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the period ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality's transactions during the financial period ended June 30, 2024, and the financial position as at that date.

The Municipality Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Municipality Manager has assessed the Municipality's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Municipality Manager to indicate that the Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The Municipality's financial statements were approved by the Board on 30th September, 2024 and signed on its behalf by:

.....

Name: Mark Karbolo
Chairperson of the Board


.....

Name: Stanley Koriata
Accounting officer

6. Statement of Financial Performance for the period ended June 2024

Description	Notes	Period ended	Comparative
		Sept*/Dec*/ Mar*/June* 2024	Period prior year
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government(b/f)	5	2,950,008.52	6,077,743.42
Public contributions and donations	6	-	-
Levies Fines and Penalties	7	-	-
Other revenues (<i>Specify</i>)	8	-	-
Revenue from exchange transactions			
Interest income	9	16,276.20	41,967.95
Miscellaneous Income	10	-	-
Total revenue		2,966,275.74	6,119,711.37
Expenditure			
Use of goods and services	11	2,218,211.75	5,385,616.85
Staff costs	12	-	-
Board expenses	13	748,000	124,000
Finance costs	14	-	-
Depreciation and amortization	15	-	-
Repairs and maintenance	16	-	-
Total expenses		2,966,211.75	5,509,616.85
Other gains/losses			
Gain/loss on disposal of assets	17	-	-
Surplus/(deficit) for the period		63.97	610,094.52

The notes set out form an integral part of these Financial Statements. The entity financial statements were approved on 30th September 2024 and signed by:

.....
 Name: Stanley Ole Koriata
 Municipality Manager

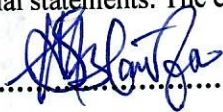
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 Name: Lorna Nchike
 Head of Finance
 ICPAK M/No 9551

7. Statement of Financial Position as at Sep/Dec/Mar/Jun 2024

Description	Note	Period ended Sep*/Dec*/ Mar*/June 2024	Audited Prior Year
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	18	63.97	610,094.52
Receivables from exchange transactions	19		
Receivables from Non- exchange transactions	20		
Prepayments	21		
Inventories	22		
Non-current assets			
Property, plant, and equipment	23		
Intangible assets	24		
Total Non-current Assets			
Total assets			
Liabilities			
Current liabilities			
Trade and other payables	25		
Provisions	26		
Deferred Income	27		
Borrowings	28		
Employee benefit obligations	29		
Social Benefits	30		
Non-current liabilities			
Provisions	26		
Deferred Income	27		
Borrowings	28		
Non-current employee benefit obligation	29		
Social Benefits	30		
Total liabilities			
Net assets		63.97	610,094.52

Description	Note	Period ended	Audited
		Sep*/Dec*/ Mar*/June 2024	Prior Year
		Kshs.	Kshs.
Capital/Development Grants/Fund			
Reserves			
Accumulated surplus			
Total net assets and liabilities		63.7	610,094.85

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th September 2024 and signed by:


.....

Name:
Municipality Manager
Date:30th September 2024


.....

Name: Lorna Nchike
Principal Accountant
ICPAK M/No 9551
Date:30th September 2024

8. Statement of Changes in Net Assets for the period ended Sep/Dec/Mar /Jun 2024

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
As at 1st July Prior year				
Surplus/(deficit) for the year		0	0	0
Funds received during the period		0	0	0
Revaluation gain		0	0	0
As at 30th June Prior Year				
As at 1st July current year				
Surplus/(deficit) for the period		0	0	0
Funds received during the period		0	0	0
Revaluation gain		0	0	0
As at Sep/Dec/Mar/Jun 2024				

9. Statement of Cash Flows for the period ended Sep/Dec/Mar/Jun 2024

Description	Note	Period ended Sep*/Dec*/ Mar*/Jun* 2024	Comparative Period prior year
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government		2,339,914.00	6,077,743.42
Public contributions and donations		-	
Interest received		16,276.20	41,967.95
Miscellaneous receipts (<i>Specify</i>)		-	
Total Receipts		2,356,190.4	6,119,711.37
Payments			
Use of goods and services		2,218,211.75	5,385,616.85
Staff costs			
Board expenses		748,000	124,000
Finance costs			
Total Payments		2,966,211.75	5,509,616.85
Net cash flows from/ (used in) operating activities	29		
Cash flows from investing activities			
Purchase of PPE & intangible assets			
Proceeds from sale of PPE			
Net cash flows from/ (used in) investing activities			
Cash flows from financing activities			
Receipts from Capital grants			
Proceeds from borrowings			
Repayment of borrowings			
Net cash flows from/(used in) financing activities			
Net increase/(decrease) in cash & cash equivalents		63.7	610,094.52
Cash And Cash Equivalents as at 1 st July	16	-	-
Cash And Cash Equivalents as at end of the period	16	63.7	610,094.52

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

10. Statement of Comparison of Budget & Actual Amounts for period ended 30th June 2024

Description	Original budget*	Adjustments*	Final budget*	Actual on comparable basis for the period ended June 2024	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=d/c
Revenue		Kshs.	Kshs.	Kshs.	
Transfers from the County Government	2,950,008.52	-	2,950,008.52	2,950,008.52	%
Public contributions and donations					%
Interest income	16,276.20	-	16,276.20	16,276.20	%
Miscellaneous income (<i>specify</i>)					%
Total Revenue	2,966,275.72		2,966,275.72	2,966,275.72	%
Expenses					
Use of goods and services	2,218,211.75	-	2,218,211.75	2,218,211.75	%
Board expenses	748,000	-	748,000	748,000	%
Staff Costs					%
Finance costs					%
Total Expenditure	2,966,211.75	-	2,966,211.75	2,966,211.75	%
Surplus for the period	63.97		63.97	63.97	
Capital Expenditure					%

11. Notes to the Financial Statements

1. General Information

Narok Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 and Cities and Municipal Charter on 29th October 2019 Act. The Narok Municipality is under the Narok County Government and is domiciled in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the periods presented.

Notes to financial statements continued

3. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (*cash, goods, services and property*) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Municipality and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023/24 was approved by the County Assembly on 30th September 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Municipality upon receiving the respective approvals in order to conclude the final budget. The Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 6 of these financial statements.

Significant Accounting Policies (Continued)

c) Inventories

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

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

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

d) Provisions

Provisions are recognized when the City/Municipality 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 City/Municipality 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.

e) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Significant Accounting Policies (Continued)

f) Contingent liabilities

The Municipality 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

g) Contingent assets

The Municipality does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality 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.

h) Changes in accounting policies and estimates

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

i) Related parties

The Municipality 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 City/Municipality, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Municipality Managers and Municipality Accountant.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial period. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial period.

k) Comparative figures

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

Significant Accounting Policies (Continued)

l) Events after the reporting period

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue. Two types of events can be identified:

(a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

(b) Those that are indicative of conditions that arose after the reporting date (*non-adjusting events after the reporting date*).

The City/Municipality should indicate whether there are material adjusting and non- adjusting events after the reporting period.

m) Currency

The financial statements are presented in Kenya Shillings (Kshs) with the values being rounded off to the nearest shilling.

4. Significant judgments and sources of estimation uncertainty

The preparation of the Municipality'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

Estimates and assumptions

The Municipality based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Municipality. 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:

- i) The condition of the asset based on the assessment of experts employed by the Municipality.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funds to replace the asset.
- v) Changes in the market in relation to the asset.

5. Transfers from the County Government

Description	Period ended Sep*/Dec*/ Mar*/Jun*202 3/2024	Comparative Period prior year
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	None	None
Payments by County on behalf of the entity	-	-
Unconditional development grants	2,339,914	-
Total	2,339,914	

This is unconditional development grants received form World Bank through the Kenya Urban Support Program.

6. Interest income

Description	Period ended Sep*/Dec*/ Mar*/Jun* 2023/2024	Comparative Period prior year 2023/24
	Kshs.	Kshs.
Interest income from investments	-	-
Interest income on bank deposits	16,276.20	41,967.95
Others (<i>Specify</i>)	-	-
Total interest income	16,276.20	41,967.95

Notes to the Financial Statements (Continued)

7. Use of Goods and Services

Description	Period ended Sep*/Dec*/ Mar*/Jun*	Comparative Period prior year
	Kshs.	Kshs.
Utilities, supplies and services		
Communication, supplies and services		
Domestic travel and subsistence	953,340	3,180,519.8
Foreign travel and subsistence		
Printing, advertising, supplies & services		
Rent and rates		
Training expenses	748000	124,000
Hospitality supplies and services		700,000
Insurance costs		
Specialized materials and services		
Office and general supplies and services		79,200
Fuel, oil and lubricants	200000	180,000
Other operating expenses (<i>Specify</i>)	329,500	
Routine maintenance – vehicles and other equipment		
Routine maintenance – other assets		
Contracted Professional Services	696,000	1,160,000
Audit fees		
Hire of Transport, equipment etc		
Social benefit expenses*		
Bank Charges	39,371.75	85,896.85
Total	2,966,211.75	5,509,616.65

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Staff costs

Description	Period ended Sep*/Dec*/ Mar*/Jun* 2024	Comparative Period prior year
	Kshs.	Kshs.
Salaries and wages	-	-
Staff gratuity	-	-
Social security contribution	-	-
Other staff costs (<i>Specify</i>)	-	-
Total	-	-

Notes to the Financial Statements (Continued)

9. Board expenses

Description	Period ended Sep*/Dec*/ Mar*/Jun*	Comparative Period prior period
	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-
Sitting allowances	-	-
Medical Insurance	-	-
Induction and Training	-	-
Travel and accommodation	748,000	124,000
Conference Costs	-	-
Other allowances (<i>Specify</i>)	-	-
Total	748,000	124,000

10. Cash and cash equivalents

Description	Period ended Sep*/Dec*/ Mar*/Jun* 2024	Comparative Period prior period	Prior Year Audited
	Kshs.	Kshs	Kshs.
Fixed deposits account			
On – call deposits			
Current account	63.97	610,094.52	610,094.52
Others(<i>specify</i>)			
Total			

11. Inventories

Description	Period ended Sep*/Dec*/ Mar*/Jun*	Prior Year Audited
	Kshs.	Kshs.
Stationery	-	-
Consumables	-	-
Other inventories(<i>specify</i>)	-	-
Total inventories at the lower of cost and net realizable value	-	-

12. Annexes

Statement of financial performance

Description	Notes	Period ended September 2023	Period ended December 2023	Period ended March2024	Period ended June2024	Cumulative**	Comparative Prior period
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue from non-exchange transactions							
Transfers from the County Government	6	2,950,008.52	-	-	-	2,950,008.52	-
Public contributions and donations	7					-	
Levies Fines and Penalties	8					-	
Other revenues (<i>Specify</i>)	9					-	
						-	
Revenue from exchange transactions		2,950,008.52	-	-	-	2,950,008.52	
Interest income	10	7,543.05	8,724.15	-	-	16,276.20	
Other Income	11					-	
						-	
Total revenue		2,957,551.57	8,724.15			2,966,275.72	
						-	
Expenditure						-	
Use of goods and services	12	2,218,211.75	-	-	-	2,218,211.75	
Staff costs	13	-	-	-	-	-	
Board expenses	14	748,000	-	-	-	748,000	
Finance costs	15	-	-	-	-	-	
Total expenses						-	
Other gains/losses						-	
Gain/loss on disposal of assets	16	-	-	-	-	-	
Surplus/(deficit) for the period		2,966,211.75				2,966,211.75	