

**Appendix A Sample Sub-national annual  
financial statements**

**Sample Financial Statements  
Kumul Provincial Government  
12 Months  
issued 30 June 2025**

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## DECLARATION BY MANAGEMENT

In accordance with a resolution of the Kumul Government Management being responsible for approving the annual accounts we state that:

1. The accompanying financial statements have been drawn up so as to present fairly the financial position and financial performance of the Kumul Government for the 12 months ended 31 December 2023.
2. This report has been prepared in accordance with reissue ? the *Public Finances (Management) Act 1995* and the International Public Sector Accounting Standard - *Financial Reporting Under the Cash Basis of Accounting* issued by International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC)
3. To the best of our knowledge the records and books of account have been properly maintained.
4. To the best of our knowledge the **Statement of Cash Receipts and Payments;** and the **Statement of Comparison of Budget to Actual** and the accompanying **Explanatory Notes** are correct.

On behalf of the Management

Signed in Port Moresby this day of Month Year

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name

Provincial Administrator

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name

Provincial Finance Manager

## STATEMENT OF CASH RECEIPTS AND PAYMENTS

|  |          | 2023               | 2022     |
|--|----------|--------------------|----------|
|  | Note Ref | K                  | K        |
| <b>Receipts</b>                                    |          |                    |          |
| Personnel Emoluments Grants                        | 2        | -                  | -        |
| National Government Grants                         | 3        | 80,649,425         | -        |
| Internal Revenue                                   | 4        | 194,334,525        | -        |
| Revenue Collection through Trust Account           | 5        | -                  | -        |
| Proceeds from Borrowings                           | 6        | -                  | -        |
| Other Receipts                                     | 7        | 90,608,274         | -        |
| <b>Total Receipts</b>                              |          | <b>365,592,224</b> | <b>-</b> |
| <b>Payments</b>                                    |          |                    |          |
| Personnel Emoluments                               | 2        | 32,106,549         | -        |
| Goods and Services                                 | 8        | 21,841,685         | -        |
| Capital  | 9        | 13,209,174         | -        |
| Support Improvement Program                        | 10       | 10,197,957         | -        |
| Grants, Subsidies and Transfers                    | 11       | 39,960,109         | -        |
| Payments from Trust Accounts                       | 5        | -                  | -        |
| Repayment of Interest and Borrowings               | 6        | -                  | -        |
| Other  | 7        | 251,350,414        | -        |
| Payments by Third Parties                          | 12       | -                  | -        |
| <b>Payments</b>                                    |          | <b>368,665,887</b> | <b>-</b> |
| <b>Less Accounts Payable</b>                       | 18       | <b>(130,342)</b>   | <b>-</b> |
| <b>Total Payments</b>                              |          | <b>368,796,229</b> | <b>-</b> |
| <b>Surplus/(Deficit) of Receipts over Payments</b> |          | <b>(3,204,005)</b> | <b>-</b> |
| <b>Add: Opening Cash</b>                           |          | <b>64,856,806</b>  | <b>-</b> |
| <b>Closing Cash at Bank</b>                        | 13       | <b>61,652,800</b>  | <b>-</b> |

## STATEMENT OF BUDGET COMPARISON

|  | 2023               | 2023                | 2023               | 2022     | 2023 Variances      |                     |
|--|--------------------|---------------------|--------------------|----------|---------------------|---------------------|
|  | Original           | Final               | Actual             | Actual   | Original            | Final               |
|  | Budget             | Budget              | Actual             | Actual   | Budget              | Budget              |
|  | K                  | K                   | K                  | K        | K                   | K                   |
| <b>Receipts</b>                                    |                    |                     |                    |          |                     |                     |
| Personnel Emoluments Grants                        | -                  | -                   | -                  | -        | -                   | -                   |
| National Government Grants                         | 26,691,700         | 26,691,700          | 80,649,425         |          | 53,957,725          | 53,957,725          |
| Internal Revenue                                   | 203,058,600        | 203,058,600         | 194,334,525        |          | (8,724,075)         | (8,724,075)         |
| Revenue Collection through Trust Account           | -                  | -                   | -                  |          | -                   | -                   |
| Proceeds from Borrowings                           | -                  | -                   | -                  |          | -                   | -                   |
| Other Receipts                                     | 86,046,000         | 193,546,000         | 90,608,274         |          | 4,562,274           | (102,937,726)       |
| <b>Total Receipts</b>                              | <b>315,796,300</b> | <b>423,296,300</b>  | <b>365,592,224</b> | <b>-</b> | <b>49,795,924</b>   | <b>(57,704,076)</b> |
| <b>Payments</b>                                    |                    |                     |                    |          |                     |                     |
| Personnel Emoluments                               | 29,555,200         | 59,555,200          | 32,106,549         |          | (2,551,349)         | 27,448,651          |
| Goods and Services                                 | 22,772,000         | 22,777,000          | 21,841,685         |          | 930,315             | 935,315             |
| Capital  | 13,702,400         | 13,382,400          | 13,209,174         |          | 493,226             | 173,226             |
| Support Improvement Program                        | 11,400,000         | 11,400,000          | 10,197,957         |          | 1,202,043           | 1,202,043           |
| Grants, Subsidies and Transfers                    | 83,623,000         | 88,051,000          | 39,960,109         |          | 43,662,891          | 48,090,891          |
| Payments from Trust Accounts                       | -                  | -                   | -                  |          | -                   | -                   |
| Repayment of Interest and Borrowings               | -                  | -                   | -                  |          | -                   | -                   |
| Other  | 149,913,700        | 283,532,200         | 251,350,414        |          | (101,436,714)       | 32,181,786          |
| Payments by Third Parties                          | -                  | -                   | -                  |          | -                   | -                   |
| <b>Payments</b>                                    | <b>310,966,300</b> | <b>478,697,800</b>  | <b>368,665,887</b> | <b>-</b> | <b>(57,699,587)</b> | <b>110,031,913</b>  |
| <b>Less Accounts Payable</b>                       | <b>-</b>           | <b>-</b>            | <b>(130,342)</b>   |          |                     |                     |
| <b>Total Payments</b>                              | <b>310,966,300</b> | <b>478,697,800</b>  | <b>368,796,229</b> | <b>-</b> | <b>(57,829,929)</b> | <b>109,901,571</b>  |
| <b>Surplus/(Deficit) of Receipts over Payments</b> | <b>4,830,000</b>   | <b>(55,401,500)</b> | <b>(3,204,005)</b> | <b>-</b> | <b>(8,034,005)</b>  | <b>52,197,495</b>   |

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 Reporting Entity**

**Discuss the nature of business, activities, locations, etc – Not longer than ½ pages.** Include domicile and legal form of entity, description of operations, reference to relevant legislation governing its operations and significant entities (and any changes) that are included in the financial statements (if any).

### **1.2 Basis of Accounting**

The financial statements are general purpose financial statements and have been prepared in compliance with International Public Sector Accounting Standard (IPSAS) - *Financial Reporting Under the Cash Basis of Accounting* Part 1 issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC), modified in respect of the inclusion of Accounts Payable (Unpaid Invoices). This basis of accounting provides relevant decision-making information for users of the Annual Financial Statements and ensures compliance with the PNG Public Finances (Management) Act 1995 (as amended)

The cash basis of accounting recognises transactions and events only when cash (including cash equivalents) is received or paid by the entity.

#### **Cash Controlled by the Reporting Entity (IPSAS Cash Basis of Accounting)**

Cash is controlled by an entity when the entity can use the cash for the achievement of its own objectives or otherwise benefit from the cash and exclude or regulate the access of others to that benefit. Cash collected by, or appropriated or granted to, an entity which the entity can use to fund its operating objectives, acquire capital assets or repay its debt is controlled by the entity.

Commencing with the Annual Financial Statements for 12 months ended 31 December 2023, the **Kumul Government** prepares its accounts as required by the *Public Finances (Management) Act 1995*.

### **1.3 Functional and Presentation Currency**

The financial report is presented in Kina. The sum of the component in the financial statement are rounded to the nearest Kina.

### **1.4 Foreign Currency Transactions**

Transactions denominated in a foreign currency are converted at the rate of exchange prevailing at the date of the transaction. Foreign currency balances are converted to Kina using exchange rates provided by the Bank of PNG at the end of the year.

### **1.5 Comparative Figures**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

### **1.6 Cash at Bank**

Cash balance refers to cash and cash equivalents which comprises of: cash on hand, cash at bank and deposits held at call.

### **1.7 Receipts**

Receipts including Government Grants are recognized as revenue at the time the cash is received in the respective bank accounts. Appropriations are deposited into the bank accounts and are controlled by the Kumul Government.

Contributions-in-kind provided to the Government by foreign governments and aid organisations are recognised as grant revenue in the Accounts at the point the contribution-in-kind is received.

### **1.8 Payments**

Payments are recognized as expenses at the time cheques / electronic payment is raised. Assets, and investments, acquired during the year are recognised as expenditure in the year payment is made.

### **1.9 Taxation**

The Kumul Government is exempt from paying all types of taxes, including income tax.

### **1.10 Collection of Revenue on behalf of Government**

The Kumul Government collects fees/fines/rates (provide details) on behalf of the State and repays the money into the Waigani Public Account or holds funds on a separate account (whichever applicable) to account for collected revenue (Note: type here types of revenue you collect).

The collected revenue is not recognised in the financial statements. Details of collection are disclosed in Note 14.

### **1.11 Events Since Balance Date**

There is no event occurring after the balance date that could materially affect the financial position of the Kumul Government for 12 months ended 31 December 2023.

### **1.12 Economic Dependency**

Kumul Government is dependent on monies received from the National Government to fund its operations. In 2023, funding from the National Government represented xx per cent (2022: was xx per cent) of the total receipts.

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

*For each of the notes provide a detailed discussion and analysis of the key issues.*

### 2. Personnel Emoluments

#### 2.1 Receipts

|                         | 2023     | 2022     |
|-------------------------|----------|----------|
|                         | K        | K        |
| Salaries and Allowances | -        | -        |
| <b>Total</b>            | <b>-</b> | <b>-</b> |

#### 2.2 Payments

Personnel Emoluments receipts/payments comprise salaries, various allowances, overtime, leave fares, gratuity and repatriation expenses. The Department of Finance is processing most of the personnel emoluments on behalf of the Kumul Government.

|   | 2023              | 2022     |
|---|-------------------|----------|
|   | K                 | K        |
| Wages                                     | 16,869,242        | -        |
| Overtime                                  | 106,381           | -        |
| Leave fares                               | 11,328,167        | -        |
| Retirement Benefits, Pensions, Gratuities | 797,767           | -        |
| Members of Parliament                     | 3,004,991         | -        |
| <b>Total</b>                              | <b>32,106,549</b> | <b>-</b> |

### 3. National Government Grants

|   | 2023       | 2022 |
|---|------------|------|
|   | K          | K    |
| Grants & Transfers from National Government | 56,000,000 | -    |
| Administrative Grants                       | 585,000    | -    |
| Other Service Delivery Function Grants      | 357,726    | -    |
| Land Mediation Function Grant               | 65,000     | -    |
| Agriculture Function Grant                  | 751,699    | -    |
| Public Servants Leave Fares                 | 1,239,000  | -    |
| Teachers Leave Fares                        | 7,728,000  | -    |

|   |                   |          |
|---|-------------------|----------|
| Education Function Grant                      | 2,000,000         | -        |
| Transport/Infrastructure Maintenance Gr       | 2,266,000         | -        |
| Village Courts Function Grant                 | 157,000           | -        |
| Provincial Support Grant                      | 500,000           | -        |
| District Support Improvement Program (DSIP)   | -                 | -        |
| Provincial Support Improvement Program (PSIP) | 9,000,000         | -        |
| <b>Total</b>                                  | <b>80,649,425</b> | <b>-</b> |

#### 4. Internal Revenue

|  | 2023               | 2022     |
|--|--------------------|----------|
|  | K                  | K        |
| Bookmakers' Turnover Tax                               | 512,602            | -        |
| Goods and Services Tax (GST)                           | 152,967,352        | -        |
| Mining Levy  | 3,880,101          | -        |
| Timber Levy  | 28,748             | -        |
| Small Craft Registrations                              | 18,946             | -        |
| Small Craft Licensings                                 | 21,090             | -        |
| Commercial Property Rental Income                      | 270,921            | -        |
| Rental of Institutional Housing                        | 56,301             | -        |
| Motor Vehicle Registration (inc MVIL State Commission) | 8,844,149          | -        |
| Commercial Vehicle Licenses                            | 313,850            | -        |
| Building Permit Fees                                   | 40,642             | -        |
| Driving Permits  | 610,119            | -        |
| Liquor Licensing Fee                                   | 2,849,770          | -        |
| PMV Driving Permits                                    | 247,641            | -        |
| Sundry/(Other) Income                                  | 708,954            | -        |
| Recoveries from Former Years                           | 19,335,882         | -        |
| Expenditure written back from Former Years             | 3,627,456          | -        |
| <b>Total</b>   | <b>194,334,525</b> | <b>-</b> |

#### 5. Kumul Government Trust Account

The Kumul Government Trust Account was established in xxx. It has assisted the Provincial Government to (state the purpose). Receipts from (xxx detail which ) are collected and paid into the BSP Bank Account. Payments are made strictly in accordance with the trust Instrument as follows:

|             | 2023 | 2022 |
|-------------|------|------|
|             | K    | K    |
| Collections | -    | -    |

Payments for:

|                                  |          |          |
|----------------------------------|----------|----------|
| Operational Expenses             | -        | -        |
| Other Expenses                   | -        | -        |
| <b>Balance as at 31 December</b> | <b>-</b> | <b>-</b> |

NOTE: The above disclosure only relates to trust accounts established by the Provincial Government (not the national trust accounts). If more than one trust account is maintained, same details will be provided for each of those.

In addition to the trust accounts established and controlled by the Provincial Government, the Trust Section at Department of Finance allocates national trust codes. The receipts/payments from those trusts are incorporated in the Statement of Cash Receipts and Payments.

**6. Borrowings** NOTE that no loan could be entered into without Treasurer's approval.

Provide description of the purpose of the Loan. If loans are used from more sources, provide information for each.

Guidance should include the type of information that should be reported for each loan (e.g. source, currency, interest rate, term, approved amount, drawn amount, balance outstanding, undrawn amount)

### 6.1 Borrowings

#### (a) Undrawn Borrowing Facility

|   | 2023     | 2022     |
|---|----------|----------|
|   | K        | K        |
| Undrawn borrowing facilities as at 01.01.2023           |          |          |
| Additional loan facility                                |          |          |
| Total available   | -        | -        |
| Amount drawn  |          |          |
| Facility closure/cancellation                           |          |          |
| <b>Undrawn borrowing facilities at 31 December 2023</b> | <b>-</b> | <b>-</b> |

#### (b) Repayments of Loans:

|                                    |          |          |
|------------------------------------|----------|----------|
| Principal                          | -        | -        |
| Interest                           | -        | -        |
| <b>Total repayment 31 December</b> | <b>-</b> | <b>-</b> |

## 6.2 Repayments of principal and interest

Provide details of interest and repayment of principal for each of the loans

| Creditor/<br>Loan Ref | Loan<br>Purpose | Year<br>obtained | Approved<br>Amount | Drawn<br>Amount | Interest Rate<br>P.A% | Interest<br>Payment | Principal<br>Repayment | Balance as<br>at 2023 |
|-----------------------|-----------------|------------------|--------------------|-----------------|-----------------------|---------------------|------------------------|-----------------------|
|                       |                 |                  |                    |                 |                       |                     |                        |                       |
|                       |                 |                  |                    |                 |                       |                     |                        |                       |

## 7. Other Receipts and Payments

### 7.1 Other Receipts

(Detail Type of collection of other revenue that the province can retain, if any)

|                      | 2023              | 2022     |
|----------------------|-------------------|----------|
|                      | K                 | K        |
| Other Support Grants | 608,274           | -        |
| Development Grants   | 90,000,000        | -        |
| <b>Total</b>         | <u>90,608,274</u> | <u>-</u> |

### 7.2 Other Expenses

Detail other expenses

|                            | 2023               | 2022     |
|----------------------------|--------------------|----------|
|                            | K                  | K        |
| Other Operational Expenses | 251,350,414        | -        |
| <b>Total</b>               | <u>251,350,414</u> | <u>-</u> |

## 8. Goods and Services

|                                    | 2023      | 2022 |
|------------------------------------|-----------|------|
|                                    | K         | K    |
| Domestic Travel and Subsistence    | 3,767,815 | -    |
| Domestic - Travel allowance        | 423,907   | -    |
| Office Materials and Supplies      | 776,716   | -    |
| Operational Materials and Supplies | 1,009,070 | -    |

|  |                   |          |
|--|-------------------|----------|
| Transport and Fuel                             | 2,046,863         | -        |
| Administrative Consultancy Fees                | 6,880,000         | -        |
| Utilities                                      | 1,335,675         | -        |
| Data services                                  | -                 | -        |
| Telephone & fax services                       | 83,642            | -        |
| Telikom offset contribution                    | 516,526           | -        |
| Electricity                                    | 774,006           | -        |
| Electricity charges                            | -                 | -        |
| Water  | 306,737           | -        |
| Rentals of Property                            | 1,146,529         | -        |
| Routine Maintenance                            | 2,752,400         | -        |
| R/Maint - Office Buildgs, Structures & Grounds | -                 | -        |
| Membership Fees, Subscriptions & Contribution  | 21,800            | -        |
| <b>Total</b>                                   | <b>21,841,685</b> | <b>-</b> |

## 9. Capital Payments

### 9.1 Capital Items

#### Major Capital Project Payments (list major projects not included above funded through Development Grants)

|   | 2023              | 2022     |
|---|-------------------|----------|
|   | K                 | K        |
| Office Equipments, Furniture & Fittings   | 378,666           | -        |
| Motor Vehicles - Purchase                 | 8,798,235         | -        |
| Feasibility Studies & Project Preparation | 199,999           | -        |
| Construction, Renovation and Improvements | 3,832,273         | -        |
| <b>Total</b>                              | <b>13,209,174</b> | <b>-</b> |

### 9.2 Projects – PIP

Provide information about projects under PIP carried out by Kumul Government

| PIP Project | Funding Source | 2023 | 2022 |
|-------------|----------------|------|------|
|             |                | K    | K    |
|             |                |      |      |

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|  |  |  |  |

| PIP Project | Expenditure | 2023<br>K | 2022<br>K |
|-------------|-------------|-----------|-----------|
|             |             |           |           |
|             |             |           |           |
|             |             |           |           |

## 10. Service Improvement Program (change details or % accordingly)

Information about SIP funding and expenditure should be shown by main classes of projects.

### 10.1 PSIP Receipts

|   | 2023<br>K        | 2022<br>K |
|---|------------------|-----------|
| Provincial Support Improvement Program (PSIP) | 9,000,000        | -         |
| <b>Total</b>                                  | <b>9,000,000</b> | <b>-</b>  |

### 10.2 PSIP Payments

| Change details or % accordingly | 2023<br>K | 2022<br>K |
|---------------------------------|-----------|-----------|
| Admin General - 3%              |           |           |
| Electoral Office - 3%           |           |           |
| Mobilisation - 4%               |           |           |
| Health - 20%                    |           |           |
| Economics - 10%                 |           |           |
| Education - 20%                 |           |           |
| Law & Order - 10%               |           |           |
| Infrastructure - 30%            |           |           |

|              |   |   |
|--------------|---|---|
| <b>Total</b> | - | - |
|--------------|---|---|

## 11. Grants & Transfers

|  | 2020<br>K         | 2019<br>K |
|--|-------------------|-----------|
| Grants/Transfers to Public Authorities                       | 27,425,118        | -         |
| National Agency Grants                                       | 25,000            | -         |
| Grants/Transfers to Individuals and Non-profit Organisations | 1,600,000         | -         |
| <b>Total</b>   | <b>29,050,118</b> | -         |

## 12. Payments by other government entities (3<sup>rd</sup> party payments)

The International Public Sector Accounting Standard (IPSAS) - *Financial Reporting Under the Cash Basis of Accounting* requires separate presentation of the Payments by Other Government Entities in the financial statements.

### Department of Finance

Kumul Government benefits from payments made by Department of Finance. The amount of KXXX was paid through the payroll system Alesco. These payments constitute cash receipts and payments of the Kumul Government, and are controlled by the Kumul Government, as the Personnel Emoluments have been appropriated through the National Budget.

### XX Donor Agency

External Assistance has been received in a form of grants from XXX under international agreement XXX for the purpose of XXX name the purpose.

## 13. Cash at Bank

### 13.1 Account Balances

|                                  | 2023<br>K    | 2022<br>K |
|----------------------------------|--------------|-----------|
| Kumul Province Operating Account | (17,826,846) | -         |
| Kumul Government-282 - PSIPOA    | 995,675      | -         |
| Covid-19 Emergency Trust Account | 83,238,673   | -         |

Total

66,407,502

-

The closing cash balances should be supported by bank reconciliation statements.

Provide explanation on any prior year error corrections and how they affected opening/ closing cash balances.

### 13.2 Restricted Cash

Of the closing cash balance of K XXX the following amounts rolled over to 2023 are restricted in that they have to be spent as previously appropriated:

| Year of Appropriation | Purpose | Amount Rolled over | Notes |
|-----------------------|---------|--------------------|-------|
|                       |         |                    |       |
|                       |         |                    |       |
|                       |         |                    |       |

Detail any other form of restriction imposed on cash balances.

### 14. Revenue Collected/ Expenses Paid on Behalf of the National Government

Describe here in brief the process of collection, and the transfer to the CRF. If the Kumul Government Administration makes payment on behalf of the Government, i.e dividends, royalties to landowners, etc disclose those details in this note. This revenue/expense is collected/paid on behalf of the Government and is not included in these financial statements.

|                    | 2023 | 2022 |
|--------------------|------|------|
|                    | K    | K    |
| Type of Collection | 0    | 0    |

**Total**

|          |          |
|----------|----------|
| <u>0</u> | <u>0</u> |
|----------|----------|

## 15. Comparison to Budget

The Provincial Government is subject to budgetary limits in a form of appropriation as approved by the Provincial Assembly.

Material differences (variances) between actual revenue against estimates and actual payments versus budgeted figures must be identified, analyzed and properly explained.

A material difference or variance is defined as a difference of more (or less) than (10%???) of the revenue estimated to be collected or expense budgeted to be spent/ expended during the year.

|  | 2023               | 2023               | 2023               | 2022     | 2023 Variances      |                     |
|--|--------------------|--------------------|--------------------|----------|---------------------|---------------------|
|  | Original           | Final              | Actual             | Actual   | Actual V            |                     |
|  | Budget             | Budget             | Actual             | Actual   | Original            | Final               |
|  | K                  | K                  | K                  | K        | Budget              | Budget              |
| <b>Receipts</b>                          |                    |                    |                    |          |                     |                     |
| Personnel Emoluments Grants              | -                  | -                  | -                  | -        | -                   | -                   |
| National Government Grants               | 26,691,700         | 26,691,700         | 80,649,425         |          | 53,957,725          | 53,957,725          |
| Internal Revenue                         | 203,058,600        | 203,058,600        | 194,334,525        |          | (8,724,075)         | (8,724,075)         |
| Revenue Collection through Trust Account | -                  | -                  | -                  |          | -                   | -                   |
| Proceeds from Borrowings                 | -                  | -                  | -                  |          | -                   | -                   |
| Other Receipts                           | 86,046,000         | 193,546,000        | 90,608,274         |          | 4,562,274           | (102,937,726)       |
| <b>Total Receipts</b>                    | <b>315,796,300</b> | <b>423,296,300</b> | <b>365,592,224</b> | <b>-</b> | <b>49,795,924</b>   | <b>(57,704,076)</b> |
| <b>Payments</b>                          |                    |                    |                    |          |                     |                     |
| Personnel Emoluments                     | 29,555,200         | 59,555,200         | 32,106,549         |          | (2,551,349)         | 27,448,651          |
| Goods and Services                       | 22,772,000         | 22,777,000         | 21,841,685         |          | 930,315             | 935,315             |
| Capital                                  | 13,702,400         | 13,382,400         | 13,209,174         |          | 493,226             | 173,226             |
| Support Improvement Program              | 11,400,000         | 11,400,000         | 10,197,957         |          | 1,202,043           | 1,202,043           |
| Grants, Subsidies and Transfers          | 83,623,000         | 88,051,000         | 39,960,109         |          | 43,662,891          | 48,090,891          |
| Payments from Trust Accounts             | -                  | -                  | -                  |          | -                   | -                   |
| Repayment of Interest and Borrowings     | -                  | -                  | -                  |          | -                   | -                   |
| Other                                    | 149,913,700        | 283,532,200        | 251,350,414        |          | (101,436,714)       | 32,181,786          |
| Payments by Third Parties                | -                  | -                  | -                  |          | -                   | -                   |
| <b>Payments</b>                          | <b>310,966,300</b> | <b>478,697,800</b> | <b>368,665,887</b> | <b>-</b> | <b>(57,699,587)</b> | <b>110,031,913</b>  |
| <b>Less Accounts Payable</b>             | <b>-</b>           | <b>-</b>           | <b>(130,342)</b>   |          |                     |                     |
| <b>Total Payments</b>                    | <b>310,966,300</b> | <b>478,697,800</b> | <b>368,796,229</b> | <b>-</b> | <b>(57,829,929)</b> | <b>109,901,571</b>  |

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|  |           |              |             |   |             |            |
|--|-----------|--------------|-------------|---|-------------|------------|
| Surplus/(Deficit) of Receipts over<br>Payments | 4,830,000 | (55,401,500) | (3,204,005) | - | (8,034,005) | 52,197,495 |
|--|-----------|--------------|-------------|---|-------------|------------|

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Provide detailed explanation of significant variances between actual and original & actual and final budgets.

## SCHEDULES OF: ASSETS, INVESTMENTS, LIABILITIES, AND CONTINGENCIES.

The following schedules provide non-cash accounting information necessary to more comprehensively understand the operations and financial position of the entity.

### 16. Report on assets

#### 16.1 Capital Assets

The following are assets that are owned by the Kumul Government. All asset categories are stated at cost. Due to cash accounting, the assets are not included in the financial statements:

|                              | 2023     | 2022     |
|------------------------------|----------|----------|
|                              | K        | K        |
| Land                         | 0        | 0        |
| Buildings                    | 0        | 0        |
| Office Furniture & Equipment | 0        | 0        |
| Vehicles                     | 0        | 0        |
| Plant and Equipment          | 0        | 0        |
| Staff Housing                | 0        | 0        |
| Marine Vessels               | 0        | 0        |
| Other                        | 0        | 0        |
| <b>Total</b>                 | <b>0</b> | <b>0</b> |

#### 16.2 Inventories – significant (material) balances

The Province at the close of the fiscal year had in stock the following inventories.

| 2023 | 2022 |
|------|------|
|------|------|

|                     | K        | K        |
|---------------------|----------|----------|
| Fuel                | 0        | 0        |
| Stationery supplies | 0        | 0        |
| Other               | 0        | 0        |
| <b>Total</b>        | <b>0</b> | <b>0</b> |

### 16.3 Receivables and Pre Paid amounts

The following amounts were due to be paid to the Province but at the close of the fiscal year had not been received. There are also amounts which will be received in the future as per existing contracts and agreements.

|                  | 2023     | 2022     |
|------------------|----------|----------|
|                  | K        | K        |
| Rental Deposits  | 0        | 0        |
| Rental Income    | 0        | 0        |
| Pre Paid Amounts | 0        | 0        |
| Fees Outstanding | 0        | 0        |
| Other            | 0        | 0        |
| <b>Total</b>     | <b>0</b> | <b>0</b> |

For all material receivables outstanding balances at end of year provide an ageing schedule

### 16.4. Losses and Deficiencies

Public Bodies are required to report and disclose all material financial losses and deficiencies of public monies and property. Includes any category of "loss" such as property, assets, motor vehicles, etc, where Secretary of Finance had provided the authority for a write off.

During the financial year the following losses/deficiencies occurred:

## 17. Investments

The Province has over the years accumulated the following investments. Due to the cash accounting, the assets are not included in the financial statements. The long term investments are valued using the following methods:

Investment valuations are determined using the following methods, in priority order:

1. Method A: (1st priority) Listed public companies are valued on the basis of share prices as at 31 December of current year.
2. Method B: (2nd priority) Independent valuations (no more than 3 years old) performed by qualified valuers.
3. Method C: (3rd priority) Net asset value published in audited financial statements.
4. Method D: (4th priority) Net asset value published in unaudited financial statements.
5. Method E: (5th priority) Where no current year valuation is available previous year valuations are used including original cost.

The valuation method used is indicated for each investment.

### 17.1 Shareholdings

The following are controlled entities (business arms) of the Kumul Government stated using XX valuation method. The balances represent asset and cash contributions since their inception.

|                 | <b>Owners<br/>hip</b> | <b>Investment<br/>Type</b> | <b>2023</b> | <b>2022</b> |
|-----------------|-----------------------|----------------------------|-------------|-------------|
|                 | %                     |                            | K           | K           |
| XXX Corporation | 100                   | Shares                     | 0           | 0           |
| XXX Corporation | 90                    | Shares                     | 0           | 0           |
| Total           |                       |                            | <u>0</u>    | <u>0</u>    |

The entities have not been consolidated into the Kumul Government's accounts due to different accounting policies (accrual basis of accounting in the controlled entities).

The Kumul Government also has shares in publicly listed companies, however, does not have control over the entities. The share values are based on closing stock exchange prices as at 12 MONTHS ENDED 31 December 2023:

|              | <b>Shares</b> | <b>2023</b> | <b>2022</b> |
|--------------|---------------|-------------|-------------|
|              |               | <b>K</b>    | <b>K</b>    |
| XX Company   | 25            | <b>0</b>    | <b>0</b>    |
| XX Company   | 10            | <b>0</b>    | <b>0</b>    |
| <b>Total</b> |               | <b>0</b>    | <b>0</b>    |

## **17.2 Financial Investments**

As of the close of the financial year the Province held term deposits with commercial banks which have not been included in the financial statements as follows:

## 18. Schedule of Liabilities and Commitments

### 18.1 Liabilities

#### 18.1.1 Accounts Payable

The following accounts payable are invoices received but remain unpaid at the end of the reporting period. These payables are included in the financial statements to allow comparable analysis of budget performance

#### 18.1.2 Other Payables

The following are liabilities that are not included in the financial statements and represent significant expenses incurred in 2023 that will be paid by Kumul Government in 2024.

|                            | <b>2023</b> | 2022     |
|----------------------------|-------------|----------|
|                            | K           | K        |
| Utilities                  | <b>0</b>    | 0        |
| Rental deposits refundable | <b>0</b>    | 0        |
| Other                      | <b>0</b>    | 0        |
| <b>Total</b>               | <b>0</b>    | <b>0</b> |

For all material receivables outstanding balances at end of year provide an ageing schedule

### 18.2. Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed when considered appropriate and provide additional relevant information to users.

(Provide details if this is correct,). In the normal course of business, the Authority lease facilities, hence minimum lease payments under lease agreements are as follows: XXX detail amounts per year and number of years.

The following are significant contracts entered with suppliers:

|              | <b>2023</b> | 2022     |
|--------------|-------------|----------|
|              | K           | K        |
|              | 0           | 0        |
|              | 0           | 0        |
|              | 0           | 0        |
| <b>Total</b> | <b>0</b>    | <b>0</b> |

All amounts shown in the commitments note are nominal amounts inclusive of GST.

#### **19. Un-acquitted advances**

|  | <b>2023</b> | 2022 |
|--|-------------|------|
|  | K           | K    |
| Accumulated Balance as at 1st January 2023 | 0           | 0    |
| Add: Advances made during the year         | 0           | 0    |
| Less: Acquittals made during the year      | 0           | 0    |
| Accumulated Balance as at 31 December      | 0           | 0    |

#### **20. Contingent Assets and Contingent Liabilities**

Contingent assets and contingent are disclosed by way of note and, if quantifiable, are measured at nominal value.

The Provincial Government is involved (or state that is not, if that is the case) in various legal actions arising in the normal course of activities. Although the ultimate outcome is not determinable at this time, management believes that the resolution of these pending matters will not have a materially adverse effect, individually or in the aggregate, upon the Provincial Government's financial statements. State the potential amount if there are significant legal cases.