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COUNTY REVENUE FUND

County Government of Bungoma

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
09 SEP 2025
TABLED
By *T.M.A.* *BUNGOMA*

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2025

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

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1. Acronyms and Definition of Key Terms

a. Acronyms

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
COG	Council of Governors
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OSR	Own Source Revenue
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
KRB	Kenya Roads Board
Kshs	Kenya Shillings
FY	Financial Year

b. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of the organization's financial resources.

Comparative FY- Comparative Prior Financial Year.

2. Key Bungoma County Government Information and Management

a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management

The County Revenue Funds day-to-day management is under the following key organs:

No.	Designation	Name
1.	CECM Finance and Economic planning	CPA Chrispinus Barasa
2.	C.O Finance	Robert Simiyu
3.	Director Accounting Services/Finance	CPA Ambrose Makokha

c) Fiduciary Management

The key management personnel who held office during the period ended 30th June, 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	CPA Chrispinus Barasa
2.	Accounting Officer in charge of Finance	Robert Simiyu
3.	Director Accounting Services/Finance	CPA Ambrose Makokha

d) Fiduciary Oversight Arrangements

i. Audit committee activities

The functions and responsibilities of the audit committee were as follows:

- Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably or provide an independent review of the County Executive reporting functions to ensure the integrity of financial reports.
- Provide oversight of the implementation of the audit recommendations.
- Ensure that the County Executive effectively monitors compliance with legislative and regulatory requirements and promote a culture committed to lawful and ethical behaviour.

ii. Senate Committee Activities (PAC)

The responsibilities of the senate committee were as follows:

- Determining allocation of national revenue among counties as per Article 217 of the Constitution and overseeing allocation of national revenue to county

governments

- To perform any other role as may be set out under the Constitution or legislation

iii. County Assembly (PAC)

The responsibilities of the County Assembly of Bungoma were as follows:

- Perform the roles set out under Article 185 of the Constitution;
- Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution;
- Approve the borrowing by the county government in accordance with Article 212 of the Constitution; and
- Approve county development planning.

iv. Controller of Budget

The responsibilities of Controller of Budget were as follows:

- Overseeing the implementation of the budgets of both national and county governments.
- Monitor the use of public funds and report to Parliament on how the funds have been utilized.

v. Office of the Auditor General

The responsibilities of the Auditor General as follows:

- Oversight or assurance role of ensuring accountability within the three arms of government (the Legislature, the Judiciary, and the Executive) as well as the Constitutional Commissions and Independent Offices.

e) County Executive of Bungoma Headquarters

P.O. Box 437-50200,
Former Municipal Buildings, .
Moi Avenue Street
Bungoma, Kenya

f) County Executive of Bungoma Contacts

Telephone: 0728039039
E-mail: info@bungoma.go.ke
Website: www.bungoma.go.ke

g) County Executive of Bungoma Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000-00200
Nairobi, Kenya

h) Independent Auditors

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

i) Principal Legal Advisor

The County Attorney
Bungoma Municipal Building
P.O. Box 437-50200
Bungoma, Kenya

3. Statement by the CECM Finance

The promulgation of the Constitution of Kenya, 2010, under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance consisting of the National Government and 47 County Governments. This necessitated that counties prepare and present annual statements showing their performance over the year.

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. The key local revenue sources for Bungoma County included business permits, land rates, cess, market fees, parking fees, administrative service fees, and public health facilities' fees, among others.

Financial Performance

a) Receipts

The County had planned to raise Kshs. 16,705,464,800, exclusive of level 4 & 5 revenues of Kshs. 735,471,646. The Kshs. 16,705,464,800 consists of; local revenue Kshs. 1,042,461,543 and Kshs. 14,927,531,612 from National Government and Development Partners through CARA. Of the target revenue of Kshs. 16,705,464,800, only Kshs. 15,922,036,802 was expected to be received through the CRF.

During the 12 months of FY 2024/25, the County realized income as follows:

Description	Budgeted income for entire FY	Actual Receipts for 12 months of FY 2024/25	% realized
	Ksh	Ksh	
Equitable Share	11,170,673,599	11,170,673,599	100%
Conditional Grants & Development Partners	2,745,898,537	759,233,233	28%
Local revenues	1,042,461,543	412,558,318	40%
Equitable share B/F	888,958,688	888,958,688	100%
CRF B/F	74,044,435	74,044,435	100%
Total	15,922,036,802	13,305,468,273	84%

In view of this, specific measures have been proposed by the county to enhance revenue generation and collection. These include:

- The Department of Finance and Economic planning shall, in collaboration with the County Assembly, fast-track on the completion of relevant pieces of legislation to inform administration of various fees and charges.
- Collaboration between the Ministries, Departments and Agencies (MDAs), National Government, private sector, civil society and the general public for enhancement of the local revenue.
- Continuous performance appraisal for revenue collectors to monitor variations between collections and targets, this will bolster revenue from market fees and related streams;
- Proper and prompt accounting and reporting by receivers of revenue as per Section 157 (2) of PFMA, 2012.
- Utilization of services of the Office of County Attorney to assist in revenue enforcement through legal processes.
- Collaboration with the Law courts administration in setting up an express special court on County Revenue matters.
- Enhancing the BARMS system modules to 100% cashless payments on all revenue streams to avert challenges associated with cash handling.

National and County economic outlook,

- National Government revenues continue to form the largest part of the County Government budget, contributing 74% while locally generated revenues constitute 14.5% of the budget. Conditional grants and development partners accounted for 11.5%.
- The country experienced economic resilience and growth of 5.4% which is expected to be maintained in the medium term. This growth outlook will be supported by a broad-based private sector growth, strong performance of the services sector and recoveries in agriculture, while the public sector consolidates.
- The country's inflation is expected to be maintained at 6.6%. Interest and exchange rates are expected to remain stable, and this will be safeguarded over the medium term.

b) Payments

Total payments from the County Revenue Fund account within the 12 months of FY 2024/25 amounted to Kshs. 12,101,488,789.

c) Challenges

During the implementation period, County Departments and Agencies encountered a number of challenges, including; Delay in fund disbursement by the exchequer; and

County Government of Bungoma.

County Revenue Fund

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absence of continuous staff capacity development especially on E-procurement processes leading to delays. Mechanisms to address these challenges have been put in place.

This statement covers the operations of the CRF for the financial year ended 30th June, 2025.



Ms. Carolyne Makali
CEC Member – Finance and Economic Planning
County Government of Bungoma

4. Management Discussion and Analysis

Operation of the Fund

The County Appropriation Act authorizes the withdrawal of funds from the County Revenue Fund. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

The County also finances its operations through own generated revenues. The key local revenue sources for Bungoma County included business permits, land rates, cess, market fees, parking fees, administrative service fees and public health facilities' fees.

Financial Performance

The total county's 12 months revenue has increased in FY 2024/25 compared to FY 2023/24 and FY 2022/23.

Table 1: 12 months revenues from FY 2022/23 to FY 2024/25

Revenue	12 months FY 2024/25	12 months FY 2023/24	12 months FY 2022/23
Exchequer releases	11,170,673,599	10,287,024,920	10,659,435,192
Exchequer releases B/F	888,958,688	-	-
CRF B/F	73,489,703	-	-
Transfers from other government agencies	759,233,233	663,696,364	256,762,319
Own Source Revenue	412,558,318	383,998,952	330,427,054
Return to CRF issues	554,732	606,980	1,111,963
Total Receipts	13,305,468,273	11,335,327,216	11,247,736,528

The County had planned to raise Kshs. 15,922,036,802, exclusive of level 4&5 revenues of Ksh. 1,042,461,543 and Kshs. 47,956,352 County funds.

d) Payments

Total payments from the County Revenue Fund a/c amounted to Kshs. 12,101,488,789, summarized in table 2:

Table 2: Payments from the County Revenue Fund

Item	12 months FY 2024-	12 months FY 2023-
	2025	2024
	Kshs	Kshs
Transfer To executive Entities Accounts	10,868,458,178	10,275,595,855
Transfer to county Assembly	1,233,030,611	1,225,248,281
Total Expenditure	12,101,488,789	11,500,844,136

Table 3 provides depiction of budget vs actuals transfers for the period ended 30th June, 2025.

Table 3: Budget vs Actuals Transfers

Description	Budget FY 2024-2025	12 months Transfers FY 2024-
	Kshs	2025 Kshs
Transfer to County Executive	15,346,434,380	10,868,458,178
Transfer to County Assembly	1,359,030,420	1,233,030,611
Total	16,705,464,800	12,101,488,789

5. Overview of the County Revenue Fund Operations

Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

Receipts into the County Revenue Fund

County Government revenue is received through the appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Revenue includes Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.

Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial period ended June 30, 2025.



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Ms. Carolyn Makali
CEC Member – Finance and Economic Planning
County Government of Bungoma

6. Statement of Management Responsibilities.

Article 207 of the Constitution, Sections 109 and 168 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation to prepare quarterly financial statements for the Fund for each period in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2025. 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 County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Accrual Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the June 30, 2025, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund, which have been relied upon in the preparation of its financial statements, as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). Further, the Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

Approval of the Financial Statements


The County Revenue Fund's financial statements were approved and signed on 31/07/25 2025 by.



Robert Simiyu
Chief Officer Finance
County Government of Bungoma

7. Statement of Financial Performance for the Period Ended June 30, 2025

	Notes	Period ended June 2025 Kshs.
Revenue from non-exchange transactions		
Exchequer releases	5	11,170,672,763
Transfers from other government agencies	6	759,233,233
Return to CRF	7	554,732
Non-Exchange Own Source Revenue	8	257,044,631
Revenue from exchange transactions		
Exchange Own Source Revenue	9	160,003,331
Total Revenue		12,347,508,691
Expenses		
Transfers to County Executive	10	10,918,314,561
Transfers to County Assembly	11	1,233,030,611
Total Expenses		12,151,345,172
Surplus for the period		196,163,519



Robert Simiyu
Chief Officer -Finance

Date...31/07/25.....



CPA Ambrose Makokha
Head of Accounting Unit
ICPAK M/No. 7929

Date...31/07/25.....

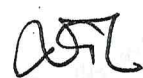
8. Statement of Financial Position as at June 30, 2025

	Note	Period ended June 2025	1st Position July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	12	650,710,758	73,489,703
Receivables from Non-Exchange Transactions	13	553,267,890	889,262,518
Receivables from Exchange Transactions	14	5,433,621	640,147
Total Current Assets		1,209,412,270	963,392,368
Total Assets (A)		1,209,412,270	963,392,368
Liabilities			
Current Liabilities			
Accounts Payable	15	65,410,688	15,554,305
Total Current Liabilities		65,410,688	15,554,305
Total Liabilities (B)		65,410,688	15,554,305
Net Assets(A-B)		1,144,001,582	947,838,063
Represented by:			
Accumulated Surplus		1,144,001,582	947,838,063
Net Assets		1,144,001,582	947,838,063



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Robert Simiyu
Chief Officer -Finance

Date.....31/07/25.....



.....
CPA Ambrose Makokha
Head of Accounting Unit

ICPAK M/No. 7929
 Date.....31/07/25.....

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

9. Statement of Changes in Net Assets for the Period ended June 30, 2025

	Accumulated Surplus
As at July 1, 2024	947,838,063
Surplus/ deficit for the Period	196,163,519
Additions during the Period	
As at June 30, 2025	1,144,001,582

10. Statement of Cash Flows for the Period ended June 30, 2025

	Notes	Period ended June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Exchequer releases		12,059,631,451
Transfers from other government agencies		205,965,343
Return to CRF		554,732
Own Source Revenue		412,558,318
Total receipts		12,678,709,844
Payments		
Transfers to County Executive (operating activities)		10,868,458,178
Transfers to County Assembly (operating activities)		1,233,030,611
Other transfers		-
Total Payments		(12,101,488,789)
Net cash flows from/(used in) operating activities		577,221,055
Net increase/(decrease) in cash & Cash equivalents		577,221,055
Cash and cash equivalents at 1 July	12	73,489,703
Cash and cash equivalents at the end of the period	12	650,710,758

PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting.

County Government of Bungoma
 County Revenue Fund
 For the Period ended June 30, 2025

II. Statement of Comparison of Budget Actual Amounts for the Period Ended June 30, 2025

Receipt/Payments	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=(a+b) Kshs	Actual on Comparable Basis d Kshs	Budget Realization Difference e=(c-d) Kshs	% of Realization f=d/c%	
Revenue							
Opening Balance brought Forward	-	73,489,703	73,489,703	73,489,703	-	100%	
Exchequer releases	11,543,041,769	516,590,518	12,059,632,287	12,059,631,451	836	100%	
Transfers from other government agencies	1,789,513,118	956,385,420	2,745,898,538	759,233,233	1,986,665,305	28%	
Other grants							
Return to CRF		554,732	554,732				
Own Source Revenue	1,193,245,421	150,789,878	1,042,461,543	412,558,318	629,903,224	40%	
Total Revenue	14,525,800,308	1,322,746,792	15,848,547,100	13,233,977,734	2,616,569,366	83%	
Expenses							
Transfers to County Executive	13,168,849,875	1,320,666,805	14,489,516,680	10,868,458,178	3,621,058,502	75%	
Transfers to County Assembly	1,356,950,433	2,079,987	1,359,030,420	1,233,030,611	125,999,809	91%	
Other transfers							
Total Payments	14,525,800,308	1,322,746,792	15,848,547,100	12,101,488,789	3,747,058,311	0%	
Surplus/Deficit	-	-	-0.5	1,130,488,945	-	1,130,488,946	76%

a) Transfers from other government agencies was under realized. It recorded 28% against the 12 months target of 100%.

(b) Own source revenue has 40% realization. This is far below the 12 months target of 100%. Additionally, AIA collected are not transferred to the CRF, thus not captured herein.

The reconciliation of the cashflow statements and the Statement of Comparison of Budget Actual Amounts

Description of Particulars	Amount in Kshs
1 Actual Surplus Amounts as per the statement of Budget	1,130,488,945
2 Receivables (timing difference)	479,778,187
2 Reason for differences	
3 Reason for differences	
4 Reason for differences	
Closing Cash and Cash Equivalent as per the statement of Cash flows	650,710,758

12. Notes to the Financial Statements

1. General Information

The County Revenue Fund is established by and derives its authority and accountability from Article 207 of the Constitution of Kenya 2010. The Fund is wholly owned by the Bungoma County Government and is domiciled in Kenya. The Fund's principal activity is Receipts of all county revenues and Disbursement to county operation accounts.

2. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Accrual-Basis IPSAS financial reporting under the Accrual-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012. The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded off to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements are prepared on accrual basis while the cashflow statement is prepared using the direct method.

a) Reporting Bungoma county Government

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

b) Revenues

Revenues from non-exchange transactions with are measured at fair value and recognized on obtaining control of the asset, 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 Bungoma county Government and can be measured reliably.

Revenues include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

c) Budget information

The County Assembly approved the original budget for the FY 2024/25 on June 2024. The 1st supplementary budget was approved on May 23, 2025. The revenues collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer and own source revenue are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving Bungoma county Government.

Notes to the financial statements

d) Expenses

Expenses are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

3. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

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 Bungoma County Government and can be measured reliably.

ii. Revenue from exchange transactions

Own Source Revenue

b) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one Bungoma county Government and a financial liability or equity instrument of another Bungoma county Government. At initial recognition, the Bungoma county Government measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the financial statements

Significant Accounting Policies

Financial assets

Classification of financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the fund's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Bungoma county Government has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Bungoma county Government classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Notes to the financial statements
Significant Accounting Policies**

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Bungoma county Government manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Financial liabilities

Classification

The Fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

Notes to the financial statements

Significant Accounting Policies

d) Events after the reporting period

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

e) Currency

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

4. Significant judgments and sources of estimation uncertainty

The preparation of the Fund'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.

5. Exchequer releases

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

Description	Period ended June 2025
	Kshs
Equitable Share (a)	11,170,672,763.00
Total (d=a+b+c)	11,170,672,763.00

6. Transfers from other government agencies

Description	Period ended June 2025
	Kshs
Industrial Park and Aggregation Grant	187,500,000
National Agricultural Value Chain Development Project (Navcdp)	78,038,678
Kenya Livestock Commercialisation programme (KELCOP)	37,806,919
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	13,698,750
Kenya Urban Support Programme II	32,309,300
Kenya Informal settlements Improvement Project (KISIP II)	292,128,530
Roads Maintenance Levy	63,910,688
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA) ¹ CCIS Grant State Department of environment	53,840,368
Total	759,233,233

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

Notes to the financial statements

7. Return to CRF

Description	Period ended June 2025
	Kshs
Recurrent Account (County Executive)	456
Development Account (County Executive)	551,634
Recurrent Account (County Assembly)	100
Development Account (County Assembly)	51
County Assembly Imprest Account	2,491
Total	554,732

8. Non-Exchange own source revenue

Description	Period ended June 2025
	Kshs
Cess	60,286,044
Land Rates	24,566,956
Single/Business Permits	107,721,323
Conservancy Administration	15,442,369
Administration Control Fees and Charges	33,805,969
Other Fines, Penalties, And Forfeiture Fees	730,935
Public Health Service Fees	5,925,058
Physical Planning and Development	8,565,976
Total	257,044,631

9. Exchange Own Source Revenue

Description	Period ended June 2025
	Kshs
Property Rent	12,068,076
Parking Fees	79,636,897
Market Fees	43,225,691
Advertising	24,566,956
Hire of County Assets	92,453
Miscellaneous receipts	413,258
Total	160,003,331

10. Transfers to County Executive

Description	Period ended June 2025
	Kshs
Recurrent Account	7,528,584,104
Development Account	2,873,951,291
Special Purpose Accounts	515,779,166
Total	10,918,314,561

The Special purpose accounts are funds transferred to Operation funds and Projects within the county Government. i.e. Trade loan, Industrialization Fund, Emergency, education Support Programme, Kelcop, NAVCDP, KISIP, KUSP and Danida.

County Government of Bungoma.

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Quarterly Report and Financial Statements for the Period ended June 30, 2025

Notes to the financial statements

11. Transfers to County Assembly

Description	Period ended June 2025
	Kshs
Recurrent Account	1,105,271,652
Development Account	127,758,959
Total	1,233,030,611

12. Cash and Cash equivalents

Description	Period ended June 2025	1st July 2024
	Kshs	Kshs.
County Exchequer Account - (CBK Account number 1000171518)	650,710,758	73,489,703
Total	650,710,758	73,489,703

13. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	1st July 2024
	Kshs	Kshs.
Receivables Equitable share	-	888,958,688
Receivables Local revenue	-	303,830
County Aggregation and Industrial Park.	56,445,345	
KUSP	32,309,300	
KISIP II	128,128,530	
KISIP II	164,000,000	
NAVCDP	78,038,678	
KELCOP	37,806,919	
DANIDA	13,698,750	
KWF- FLLoCA	22,923,814	
IDA- FLLoCA	19,916,554	
Less: impairment allowance		
Net receivables	553,267,890	889,262,518

14. Receivables from Exchange Transactions

Description	Period ended June 2025	1st July 2024
	Kshs	Kshs.
Receivables Local revenue	5,433,621	640,147
Total	5,433,621	640,147

15. Accounts Payable

Description	Period ended June 2025	1st July 2024
	Kshs	Kshs.
Kenya Livestock Commercialisation programme(KELCOP)		15,554,305
County Aggregation and Industrial Park.	1,500,000	-
Road Maintaince Level	63,910,688	
Total Accounts Payable	65,410,688	15,554,305

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

Notes to the financial statements

16. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	Period ended Jun-2025	Comparative Period
			Kshs	Kshs
Kenya Commercial Bank	1177737930		948,301	867,101
National Bank of Kenya	7700058148		4,070,713.21	600
Cooperative bank of Kenya	01141669167100		25	18,526
Equity Bank	0480261006908		414,583	57,405
M-pesa Paybill 337890				-
Total			5,433,621	943,632

The balances are reconciled by those reported by CRORs as balances due for disbursement to the CRF at the end of the reporting period.

13. Annexes

Annex 1: Analysis Of Receipts from The National Treasury Exchequer Releases

FY 2024/25	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,833,477,295	3,691,310,590	1,843,161,006	4,691,682,560	12,059,631,451
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of	11,000,000				11,000,000
Industrial Park and Aggregation Project Grant	54,131,579			76,933,076	131,054,655
Roads Maintenance Levy				63,910,688	63,910,688
Total	1,898,608,874	3,691,310,590	1,843,161,006	4,832,516,324	12,265,596,794

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

Annex 2. Analysis of Receipts from Own Source Revenue per Quarter

(a) Non-Exchange own source revenue

Period June, 30 2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	5,189,967.00	18,594,756.00	19,578,067.00	16,923,253.74	60,286,043.74
Land Rates	1,347,871.00	2,566,248.00	13,756,501.00	6,896,336.37	24,566,956.37
Single/Business Permits	4,446,850.00	13,278,400.00	59,756,980.00	30,239,092.98	107,721,322.98
Conservancy Administration	269,309.00	3,328,991.00	7,509,150.00	4,334,919.29	15,442,369.29
Administration Control Fees and Charges	2,011,950.00	7,401,784.10	14,902,360.45	9,489,874.57	33,805,969.12
Other Fines, Penalties, And Forfeiture Fees	78,349.00	360,032.00	87,369.00	205,185.15	730,935.15
Public Health Service Fees	343,700.00	1,504,450.00	2,413,650.00	1,663,258.36	5,925,058.36
Physical Planning and Development	2,008,345.00	2,617,780.00	1,535,245.00	2,404,606.07	8,565,976.07
Total	15,696,341.00	49,652,441.10	119,539,322.45	72,156,526.52	257,044,631.07

(b) Exchange own source revenue

Period June, 30 2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Property Rent	1,783,530	6,252,094	2,420,154	1,612,298.50	12,068,077
Parking Fees	16,759,150	22,748,731	12,773,669	27,355,346.72	79,636,897
Market Fees	9,843,130	11,109,939	10,138,481	12,134,140.58	43,225,691
Advertising	1,161,350	3,317,160	13,192,110	6,896,336.37	24,566,956
Hire of County Assets	11,000	29,500	26,000	25,953.04	92,453
Miscellaneous receipts		20,971	75,270	317,017.45	413,258
Total	29,558,160	43,478,395	38,625,684	48,341,093	160,003,331

County Government of Bungoma.
County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

Annex 3: Analysis of Transfers from the County Revenue Fund

Period: Jun,30 2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	783,289,583	3,082,743,514	1,536,255,658	2,126,295,349	7,528,584,104
County Executive -Dev	28,889,623	492,107,621	785,428,643	1,567,525,404	2,873,951,291
County Assembly -Rec	40,713,555	292,676,995	266,292,503	505,588,599	1,105,271,652
County Assembly -Dev	-	58,705,434	34,006,028	35,047,497	127,758,959
Special Purpose A/c (Specify)	204,185,884	-	104,653,906	157,082,993	465,922,783
County Education Support Scheme	125,000,000				125,000,000
KELCOP	15,554,305				15,554,305
Industrial Park	52,631,579		41,500,000	76,923,076	171,054,655
Climate	11,000,000		45,500,000		56,500,000
Trade Loan			10,000,000		10,000,000
Disaster and Emergency Management Fund			2,653,906	38,918,568	41,572,474
NAVCDP			5,000,000	5,000,000	10,000,000
DANIDA Grant - Primary Health care in devolved context -Ministry of Health				31,241,349	31,241,349
Kenya Devolution Support Programme II					
Total	1,057,078,645	3,926,233,564	2,726,636,738	4,391,539,842	12,101,488,789

County Government of Bungoma.
County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

Annex 4: Explained Variances between Receipts & Payment and the cash flow.

	Statement of Financial Performance		Reconciling Items			Cashflow statements
	Ksh	Receivables B/F	Receivables during the	Payables B/F	Payables for the Quarter	
		Ksh	Ksh	Ksh	Ksh	ksh
Revenue from non-exchange transactions						
Exchequer releases	11,170,672,763	888,958,688				12,059,631,451
Transfers from other gov	759,233,233		(553,267,890)			205,965,343
Return to CRF	554,732					554,732
Non-Exchange Own Sou	257,044,631		-			257,044,631
Revenue from exchange transactions						
Exchange Own Source R	160,003,331		(5,433,621)			154,569,710
Total Revenue	12,347,508,691	888,958,688	(558,701,511)			12,677,765,867
Expenses						
Transfers to County Exe	10,918,314,561			15,554,305	(65,410,688)	10,868,458,178
Transfers to County Ass	1,233,030,611					1,233,030,611
Other Transfers						
Total Expenses	12,151,345,172				15,554,305	12,101,488,789
Surplus for the period	196,163,519	888,958,688	(558,701,511)	(15,554,305)	65,410,688	576,277,078

County Government of Bungoma.
 County Revenue Fund
 Quarterly Report and Financial Statements for the Period ended June 30, 2025

Annex 5: Bank Reconciliation

RECONCILIATION MONTH: June 30,2024		F.O 30
Account number : 1000171518		
Account name : : BUNGOMA COUNTY REVENUE FUND-KES		
	Balance as per cashbook on 30.06.2025	650,710,758.30
Add	Transfers in Cashbook not in the bank statement	1,089,375,618.00
		1,740,086,376.30
Less:	Receipts in cashbook not in bank statement	-
	Balance as per bank statement on 30.06.2025	1,740,086,376.30

I certify that I have verified the bank balances in the cashbook and the bank balance and confirm the above reconciliation is correct.

Prepared by		
.....
Signature	Designation	Date
Approved By		
.....
Signature	Designation	Date

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended June 30, 2025

Transfers in Cashbook not in the bank statement					
DATE	PAYEE	CASHBOOK NO.	AMOUNT	DATE PAID	EFT NO.
30-Jun-25	Development C.Assembly	COB/BGM/001/202(3) DD 16062025	30,148,320.00	2-Jul-25	FT25183QLFH2
30-Jun-25	Recurrent Executive	COB/BGM/001/204(7) DD 30062025	30,754,917.00	2-Jul-25	FT25183ZYQJN
30-Jun-25	Recurrent Executive	COB/BGM/001/204(6) DD 30062025	38,587,220.00	2-Jul-25	FT25183N2953
30-Jun-25	Development Executive	COB/BGM/001/204(10) DD 30062025	74,493,516.00	2-Jul-25	FT25183H4Q1Q
30-Jun-25	Development Executive	COB/BGM/001/204(9) DD 30062025	80,996,210.00	2-Jul-25	FT251830Q2T4
30-Jun-25	Development Executive	COB/BGM/001/204(8) DD 30062025	91,505,387.00	2-Jul-25	FT25183W01XS
30-Jun-25	Recurrent Executive	COB/BGM/006/7(3) DD 30062025	15,441,890.00	3-Jul-25	FT25184F4RLM
30-Jun-25	Development Executive	COB/BGM/006/7(4) DD 30062025	74,999,998.00	3-Jul-25	FT25184PGVC6
30-Jun-25	Development Executive	COB/BGM/001/202(9) DD 24062025	173,182,140.00	3-Jul-25	FT25184G03Q9
30-Jun-25	Recurrent Executive	COB/BGM/001/207(3) DD 30062025	1,043,570.00	4-Jul-25	FT25185B86Z2
30-Jun-25	Development Executive	COB/BGM/006/7(2) DD 30062025	2,094,012.00	4-Jul-25	FT251853P93W
30-Jun-25	Recurrent Executive	COB/BGM/001/204(5) DD 30062025	7,830,800.00	4-Jul-25	FT2518582XD8
30-Jun-25	Recurrent Executive	COB/BGM/001/207(2) DD 30062025	7,908,212.00	4-Jul-25	FT25185CDTLW
30-Jun-25	Recurrent Executive	COB/BGM/001/207(1) DD 30062025	30,196,030.00	4-Jul-25	FT25185TP51Y
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/203(7) DD 30062025	36,700,823.00	4-Jul-25	FT25185BYPXD
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/206(2) DD 30062025	5,836,083.00	8-Jul-25	FT25189CMT73
30-Jun-25	Emergency A/c	COB/BGM/001/209(1) DD 30062025	35,953,608.00	8-Jul-25	FT25189CBGCG6
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/198 (5)DD 30062025	25,000,000.00	9-Jul-25	FT25190GGYGH
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/203(8) DD 30062025	4,171,287.00	10-Jul-25	FT251917SJoY
30-Jun-25	Development Executive	COB/BGM/006/6(6) DD 30062025	6,263,000.00	10-Jul-25	FT25191QC5T9
30-Jun-25	Danida A/C	COB/BGM/001/208(3) DD 30062025	16,067,349.00	10-Jul-25	FT25191SYK89
30-Jun-25	Development Executive	COB/BGM/001/208(2) DD 30062025	17,691,256.00	10-Jul-25	FT251914LKL3
30-Jun-25	Recurrent Executive	COB/BGM 001/203(4) DD 17062025	20,466,072.00	10-Jul-25	FT25191CJ2Z3
30-Jun-25	Development Executive	COB/BGM/001/208(1) DD 30062025	45,770,680.00	10-Jul-25	FT25191Q4WPR
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/206(1) DD 30062025	21,978,624.00	14-Jul-25	FT25195LVMHW
30-Jun-25	Development Executive	COB/BGM/001/207(4) DD 30062025	30,137,000.00	14-Jul-25	FT251956DQJC
30-Jun-25	Recurrent Executive	COB/BGM/001/209(5) DD 30062025	32,309,300.00	14-Jul-25	FT251958RFM4
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/210(4) DD 30062025	736,351.00	16-Jul-25	FT25197T9XBK
30-Jun-25	Development C.Assembly	COB/BGM/001/210(3) DD 30062025	4,899,177.00	16-Jul-25	FT2519725ZMN
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/210(1) DD 30062025	9,999,626.00	16-Jul-25	FT25197C3YTY
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/210(2) DD 30062025	22,305,226.00	16-Jul-25	FT251975DHWH
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/210(7) DD 30062025	25,144,006.00	16-Jul-25	FT25197PJ5Zo
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/210(6) DD 30062025	68,000,000.00	16-Jul-25	FT25197M32WQ
30-Jun-25	Recurrent C.Assembly	COB/BGM/001/210(5) DD 30062026	763,928.00	17-Jul-25	FT251981881X
	TOTAL		1,089,375,618.00		