BAUCHI STATE GOVERNMENT OF NIGERIA

OFFICE OF THE ACCOUNTANT GENERAL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER, 2023.

FIRST IPSAS ACCRUAL TRANSITIONAL GPFS

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BAUCHI STATE OF NIGERIA

OFFICE OF THE ACCOUNTANT GENERAL

TREASURY DEPARTMENT

P. M. B. 071, BAUCHI E-MAIL: abuahmadkh@gmail.com

17th April, 2024

RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with the provisions of the Finance (Control and Management) Act 1958 cap 144 LFN as amended. The Financial Statements are prepared in compliance with IPSAS accrual basis and other government accounting regulations and pronouncements.

This year 2023 Financial Statements would be the First Transitional Accrual Financial Statements in the State. Accordingly, transitional exemptions due to the inconclusive valuation of legacy assets, certain exemptions still apply in compliance with IPSAS 33 (First Time Adoption of Accrual Basis).

In fulfillment of the accounting and reporting functions, the Accountant General is responsible for establishing and maintaining an adequate system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly records the use of all public financial resources by the Government.

On behalf of the Government of Bauchi State, I accept responsibility to maintain the integrity of these Financial Statements, the information contained therein, and that it is a reflection of the Financial Position of the State as at 31st December, 2023. I hereby pronounce that the accounts are compiled in accordance with IPSAS 33 and the FAAC Technical Sub-Committee on IPSAS Implementation guideline.

SA'IDU ABUBAKAR *PhD, FCNA, FCA., Acca*
ACCOUNTANT GENERAL
BAUCHI STATE

SECRET

BAUCHI STATE OF NIGERIA

Office of the State Auditor General

No. 33 Yandoka Road, P.M.B. 0070, Bauchi
Email: bsaudit76@gmail.com

Our Ref: AGM.I/VOL.VI/209 *Your Ref:* _____ *Date:* 27th June, 2024

AUDITOR-GENERAL'S REPORT/AUDIT CERTIFICATE

I have audited the Accounts of the Government of Bauchi State for the year ended **31st December, 2023** as set out in the consolidated **Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Net Asset/Equity and Notes to the Accounts** in Accordance with **Section 125(2) of the 1999 Constitution of the Federal Republic of Nigeria (as amended and provision of the State Public Sector Audit and Other Related Matters Law 2021**.

BASIS OF OPINION

The Financial Compliance and Performance Audit were conducted in accordance with first year transition and adoption to **IPSAS Accrual Basis of Accounting** in line with **International Standard on Auditing**, **generally accepted Public Sector** and **INTOSAI Auditing Standards**. These standards require that I comply with the ethical requirements, plan to perform the Audit and obtain reasonable assurance that the Financial Statements are free from material misstatement whether due to fraud or error.

SECRET

In the course of the Audit, I have, in accordance with **Section 0111 of the Financial Regulations Bauchi State Government of Nigeria and the Accounting Policies** obtained all the information and explanation that to the best of my ability and belief were necessary for the purpose of the Audit and I believe that the Audit evidence obtained is sufficient and appropriate to provide a basis for my Independent Opinion.

OPINION

In my Opinion the Consolidated Financial Statements which include **Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flow, statement of Changes in Net Asset/Equity and Notes to the Accounts for the year ended 31st December, 2023** give a true and fair view of the state of affairs and financial activities of the Government of Bauchi State for the Fiscal year ended.

27/6/24

ISHAKU YANKARI B.Sc, M.SC, CNA,
AUDITOR GENERAL,
BAUCHI STATE.

BAUCHI STATE GOVERNMENT OF NIGERIA
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2023

Previous Year Actual 2022		Notes	Actual 2023	Final Budget 2023	Variance on Final Budget
₦			₦	₦	₦
			A	B	C (B-A)
	REVENUE				
51,936,373,890	Government Share of FAAC	1	80,898,325,896	91,029,072,252	10,130,746,356
28,919,491,073	Government Share of VAT	2	41,165,962,542	48,718,892,469	7,552,929,927
16,985,512,034	Tax Revenue	3	19,999,670,135	20,511,168,792	511,498,658
2,522,865,680	Non-Tax Revenue	4	1,788,406,529	4,055,812,757	2,267,406,227
17,716,218	Investment Income	5	11,285,346	2,300,000	(8,985,346)
16,885,436	Interest Earned	6	1,738,735,012	20,000,000	(1,718,735,012)
10,053,300,525	Aid & Grants	7	9,751,644,599	25,315,787,777	15,564,143,178
5,691,020,316	Other Revenues	8	6,796,462,600	1,000,000	(6,795,462,600)
116,143,165,171	**Total Revenue (a)**		**162,150,492,659**	**189,654,034,047**	**27,503,541,388**
	EXPENDITURE				
28,717,423,091	Salaries & Wages	9	32,447,110,181	36,717,844,176	4,270,733,995
7,385,999,370	Social Benefits	10	9,710,417,192	10,136,513,182	426,095,990
36,903,399,634	Overhead Cost	11	51,627,283,758	69,312,906,421	17,685,622,663
0	Depreciation Charges	12	30,854,939,278	0	(30,854,939,278)
0	Impairment Charges	13	6,221,146,793	0	(6,221,146,793)
0	Amortization Charges	14	30,500,000	0	(30,500,000)
10,649,865,945	Public Debt Charges	15	17,822,329,381	0	(17,822,329,381)
3,250,630,920	Transfer to other Government Entities	16	4,164,570,471	9,973,701,312	5,809,130,841
86,907,318,961	**Total Expenditure (b)**		**152,878,297,054**	**126,140,965,091**	**(31,008,065,958)**
29,235,846,211	**Surplus/(Deficit) from Operating Activities for the Period c=(a-b)**		**9,272,195,604**	**0**	**58,511,607,346**
0	Gain/ Loss on Disposal of Asset	17	1,350,000		
0	**Total Non-Operating Revenue/(Expenses) (d)**		1,350,000	**0**	0
29,235,846,211	**Surplus/(Deficit) for the Period e=(c+d)**		9,273,545,604	**0**	58,511,607,346

The accompanying notes, schedules and supplementary notes to the financial statements forms an integral part of the General Purpose Financial Statement (GPFS)

SA'IDU ABUBAKAR PhD, FCNA, FCA.
ACCOUNTANT GENERAL
BAUCHI STATE

BAUCHI STATE GOVERNMENT OF NIGERIA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

	Notes	2023		2022	
		₦	₦	₦	₦
ASSETS					
Current Assets					
Cash and Cash Equivalents	18	5,541,208,817		6,709,144,831	
Receivables	19	10,491,013,028		30,152,592,116	
Prepayments	20	276,880,521		270,718,821	
Inventories	21	3,175,236,473		2,063,904,415	
Total Current Assets A			19,484,338,839		39,196,360,182
Non-Current Assets					
Long Term Loans	22	6,553,492,185		7,231,912,557	
Investments	23	4,687,425,217		4,257,767,466	
Property, Plant & Equipment	24	876,672,823,519		816,030,416,796	
Investment Property	26	15,934,050,000		15,950,000,000	
Intangible Assets	27	314,500,000		350,000,000	
Biological Assets	25	0		0	
Total Non-Current **Assets B**		-	904,162,290,921	-	843,820,096,819
Total **Assets C = A + B**			923,646,629,760		883,016,457,001
LIABILITIES					
Current Liabilities					
Deposits	28	546,317,834		410,790,295	
Short Term Loans & Debts	29	108,158,186,200		93,692,063,843	
Unremitted Deductions	30	17,156,086,763		12,826,575,966	
Payables	31	52,550,805,697		37,842,588,547	
Total **Current Liabilities D**		-	178,411,396,495	-	144,772,018,651
Non-Current **Liabilities**					
Long Term Provisions	33	55,000,000		55,000,000	
Long Term Borrowings	34	212,994,010,278		86,463,812,129	
Total Non-Current **Liabilities E**			213,049,010,278		86,518,812,129
		-		-	
Total Liabilities: F = D + E			391,460,406,773		231,290,830,780
Net **Assets: G = C - F**			532,186,222,987		651,725,626,222
NET ASSETS/**EQUITY**					
Reserves	35	740,911,141,902		869,724,090,740	
Accumulated Surpluses/(Deficits)	36	(208,724,918,914)		(217,998,464,519)	
		-		-	
Total **Net Assets/Equity: H=G**			532,186,222,987		651,725,626,222

The accompanying notes, schedules and supplementary ***notes to the financial statements forms an integral part of the General Purpose Financial Statement (GPFS)***

SA'IDU ABUBAKAR PhD, FCNA, FCA.
ACCOUNTANT GENERAL
BAUCHI STATE

BAUCHI STATE GOVERNMENT OF NIGERIA
CONSOLIDATED STATEMENT OF CASH FLOW AS AT 31ST DECEMBER, 2023

Description	Notes	2023		2022	
		₦	₦	₦	₦
CASH FLOWS FROM OPERATING ACTIVITIES					
Inflows					
Government Share of FAAC (Statutory Revenue)	1	84,043,159,482		51,936,373,890	
Government Share of VAT	2	38,366,782,924		28,919,491,073	
Tax Revenue	3	19,999,670,135		16,985,512,034	
Non-Tax Revenue	4	1,729,219,150		2,522,865,680	
Investment Income	5	11,285,346		17,716,218	
Interest Earned	6	1,738,735,012		16,885,436	
Aid & Grants	7	9,751,644,599		10,053,300,525	
Other Revenue	8	6,796,462,600		5,691,020,316	
Total Inflow from Operating Activities (A)			**162,436,959,247**		**116,143,165,171**
Outflows					
Salaries & Wages	9	32,447,110,181		28,717,423,091	
Social Benefits	10	9,710,417,193		7,385,999,370	
Overhead Cost	11	51,627,283,758		36,903,399,634	
Transfer to other Government Entities	16	4,164,570,471		3,250,630,920	
Total Outflow from Operating Activities (B)		**97,949,381,604**		**76,257,453,015**	
Net Cash Inflow/(Outflow) From Operating Activities* C=(A-B)			**64,487,577,644**		**39,885,712,156**
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from Sale of PPE	4	59,187,379		0	
Purchase/ Construction of PPE	24	(98,044,938,333)		(59,460,672,173)	
Acquisition of Investments	23	(429,657,751)		0	
Net Cash Flow from Investing Activites			**(98,415,408,705)**		**(59,460,672,173)**
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Borrowings		57,289,607,524		38,053,957,842	
Repayment of Borrowings		(24,529,712,476)		(17,151,711,676)	
Distribution of Surplus/Dividends Paid		0		0	
Net Cash Flow from Financing Activities			**32,759,895,048**		**20,902,246,166**
Net Cash Flow from all Activities			**(1,167,936,014)**		**1,327,286,149**
Cash & Its Equivalent as at 1/1/2023			6,709,144,831		5,381,858,682
Cash & Its Equivalent as at 31/12/2023			**5,541,208,818**		**6,709,144,831**
RECONCILIATION:					
Surplus/ (Deficit) per Statement of Performance			**9,272,195,604**		
Add Back Non-Cash Movement Items:					
Depreciation Charges		30,854,939,278			
Amortization Charges		30,500,000			
Impairment Charges		6,221,146,793			
Public Charges		17,822,329,381	**54,928,915,451**		
			64,201,111,056		
Net Movement in Current Assets/Liabilities.					
Net Movement in Inventories			0		
Net Movement in Receivables			286,466,589		
Net Movement in Payables			0		
Net Cash Flow from Operating Activities			**64,487,577,644**		
Cash & its equivalent as at 31/12/2023					
Cash Balances			0		
Bank Balances			5,541,208,817		
Certificate of Deposits			0		
			5,541,208,817		

SA'IDU ABUBAKAR PhD,FCNA,FCA.
ACCOUNTANT GENERAL
BAUCHI STATE

BAUCHI STATE GOVERNMENT OF NIGERIA
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY AS AT 31ST DECEMBER, 2023

	Notes	Accumulated Surpluses/ (Deficits)	Exchange Translation Reserve	Total
		₦	₦	₦
Balance as at 1st January 2023	35	(217,998,464,519)	0	(217,998,464,519)
Prior Year Adjustment		0	0	0
Net Surplus for the Period	36	9,273,545,604	0	9,273,545,604
Balance at 31 December 2023		**(208,724,918,914)**	**0**	**(208,724,918,914)**

SA'IDU ABUBAKAR PhD, FCNA, FCA.
ACCOUNTANT GENERAL
BAUCHI STATE

STATEMENT OF ACCOUNTING POLICIES

(IPSAS ACCRUAL)

List of Abbreviations/Acronyms

Abbreviation/Term	Description
COA	Chart of Account
FAAC	Federation Accounts Allocation Committee
FGN	Federal Government of Nigeria
FRC	Financial Reporting Council
GAAP	Generally Accepted Accounting Principles
GPFS	General Purpose Financial Statement
IPSAS	International Public Sector Accounting Standards
LFN	Law of the Federal Republic of Nigeria
MDA	Ministries, Departments and Agencies
NCOA	National Chart of Account
GBE	Government Business Enterprises
FRCoN	Financial Reporting Council of Nigeria
OAG	Office of the Accountant General
PPE	Properties, Plants and Equipment

1. General information

Bauchi State is a state in the North-East geopolitical zone of Nigeria, bordered by Jigawa to the north, Yobe to the northeast, Gombe to the east, Taraba and Plateau to the south, Kaduna to the west and Kano to the northwest. It takes its name from the historic town of Bauchi, which also serves as its capital city. The state was formed in 1976 when the former North-Eastern State was broken up. It originally included the area that is now Gombe State, which became a distinct state in 1996.

Of the 36 states, Bauchi is the fifth largest in area and fifth most populous with an estimated population of over 8,308,800 as of 2022. Geographically, the state is divided between the West Sudanian savanna in the south and the drier, semi-desert Sahelian savanna in the north with a small part of the montane Jos Plateau in the southwest.[4] A key defining characteristic of the state's landscape is Yankari National Park, a large wildlife park in southern Bauchi State that contains large populations of waterbuck, African buffalo, patas monkey, hippopotamus, roan antelope, and western hartebeest along with some of Nigeria's last remaining West African lion, African leopard, and African bush elephant populations.

What is now Bauchi State has been inhabited for years by various ethnic groups, including the Bolewa, Butawa, and Warji in the central region; the Fulani, Kanuri, and Karai-Karai in the north; the Fulani and Gerawa in and around the city of Bauchi; the Zaar (Sayawa) in the south; the Tangale in the southeast; and the Jarawa in the southwest. Religiously, the vast majority of the state's population (85%) are Muslim with smaller Christian and traditionalist minorities at about 6% and 9%, respectively

In the early 1800s, the Fulani jihad seized much of modern-day Bauchi State and formed the Bauchi Emirate under the Sokoto Caliphate. About 90 years later, a British expedition occupied the Emirate and incorporated it as Bauchi Province into the Northern Nigeria Protectorate which later merged into British Nigeria before becoming independent as Nigeria in 1960. Originally, modern-day Bauchi State was a part of the post-independence Northern Region until 1967 when the region was split and the area became part of the North-Eastern State. After the North-Eastern State was split, Bauchi State was formed on 3 February 1976 alongside ten other states. Twenty years after statehood, a group of LGAs in the state's west was broken off to form the new Gombe State.

As a major agriculture-based state, the Bauchi State economy partially relies on livestock and crops, such as cotton, groundnuts, millet, tomatoes, and yams with advanced irrigation schemes increasing agricultural production since statehood. Other industries include food processing and canning facilities, tin and columbite mining, and tourism in Yankari National Park and its Wikki Warm Springs.

Bauchi State consists of twenty Local Government Areas (LGAs). They are:

LGA	Area (km^2)	Census 2006 population	Administrative capital	Postal code
Bauchi	3,687	493,810	Bauchi	740
Tafawa Balewa	2,515	219,988	T/Balewa	740
Dass	535	89,943	Dass	740
Toro	6,932	350,404	Toro	740
Bogoro	894	84,215	Bogoro	741
Ningi	4,625	387,192	Ningi	742
Warji	625	114,720	Warji	742
Ganjuwa	5,059	280,468	Kafin Madaki	742
Kirfi	2,371	147,618	Kirfi	743
Alkaleri	5,918	329,424	Alkaleri	743
Darazo	3,015	251,597	Darazo	750
Misau	1,226	263,487	Misau	750
Giade	668	156,969	Giade	750
Shira	1,321	234,014	Yana	750
Jamaare	493	176,883	Jamaare	751
Katagum	1,436	295,970	Azare	751
Itas/Gadau	1,398	229,996	Itas	751
Zaki	1,476	191,457	Katagum	752
Gamawa	2,925	286,388	Gamawa	752
Damban	1,077	150,922	Damban	752

Location:

Bauchi State occupies a total land area of 49,119 km2 (18,965 sq mi) representing about 5.3% of Nigeria's total land mass and is located between latitudes 9° 3' and 12° 3' north and longitudes 8° 50' and 11° east.

The state is bordered by seven states, Jigawa to the north, Taraba for 54 km and Plateau for 360 km (220 mi) to the south, Gombe for 277 km (172 mi) to the east, Yobe for 188 km (117 mi) to the north-east, Kaduna to the west for 32 km (20 mi), and Kano for 131 km (81 mi) to the north-west.

2. Statement of compliance with IPSAS and transitional explanations

The Federal Executive Council of Nigeria approved the adoption of International Public Sector Accounting Standards (IPSAS) in July 2010. Public Sector Entities were required to adopt, prepare and present 2014 Financial Statements on Cash Basis while 2016 Financial Statements was to be prepared using Accrual Basis IPSAS. Bauchi State was in compliant with Cash Basis IPSAS from 2014 and began its Accrual Basis IPSAS journey from January 2023. In Nigeria, Accrual Basis IPSAS therefore became the National Standards in the Public Sector Accounting from 2016 and all references to National Standards, if any, refers to the International Public Sector Accounting Standards (IPSAS) Accrual.

The financial statements have been prepared in accordance with Transitional Accrual Basis, International Public Sector Accounting Standards (IPSASs). IPSAS 33 (First Time Adoption of Accrual Basis IPSAS) allows Bauchi State Government up to three years to recognize and/or measure certain assets and/or liabilities. The Government has identified and valued significant number of tangible and intangible assets but has decided to avail itself of the three years transitional relief period to achieve full compliance with Accrual Basis IPSAS.

Details of how the conversion affected the Statement of Financial Position and the Opening Balance of Accumulated Surplus can be found in Appendices.
The State's financial statements are presented in Nigerian Naira, which is the functional and reporting currency. The accounting policies have been consistently applied to all the years presented.

3. Legal Basis of Preparation and Accounting Framework

The Financial Statements of Bauchi State Government have been prepared using the Accrual Basis in accordance with the requirements of International Public Sector Accounting Standards (IPSAS) and in accordance with the revised Financial Regulations, Finance (Control and Management) Act of 1958 as amended, and the 1999 Constitution of the Federal Republic of Nigeria as amended. The Accounting Framework of the Bauchi State Government focusses on reporting the budgetary activities of the government for the financial year as laid down in the appropriation law.

The current year's Financial Statements have been prepared using the Accrual IPSAS Basis of accounting and the National format of General Purpose Financial Statements (GPFS) of International Public Sector Accounting Standards (IPSAS).

The Financial Statements presented include:

- Statement 1: Consolidated Statement of Financial Performance
- Statement 2: Consolidated Statement of Financial Position
- Statement 3: Consolidated Statement of Cash Flows
- Statement 4: Consolidated Statement of Changes in Equity
- Notes to the Accounts

4. Fundamental Accounting Concepts

The following fundamental accounting concepts have been taken as the basis of preparation of all accounts:

a. Accrual basis concept;
b. Going concern concept;
c. Consistency concept
d. Understandability;
e. Materiality,
f. Prudence;
g. Completeness;
h. Relevance; etc.

5. Accounting Period

The accounting period (fiscal year) of the State Government is from 1st January to 31st December. Each accounting year is divided into 12 calendar months (periods) and shall be set up as such in the accounting system.

6. Reporting Currency

The General Purpose Financial Statements shall be prepared using the Nigerian currency (Naira). Transactions in foreign currencies are converted into Naira at the spot rate at the time the activities occur.

7. Consolidation Policy

The controlled entities are all those entities over which BASG has the power to govern their financial and operating policies. These are Government Ministries, Departments and Agencies MDAs.

These controlled entities are fully consolidated from the date in which control is attained by BASG. They are de -consolidated from the date that control ceases. Inter-entity transactions, balances and unrealized gains and losses on transactions between members of the State are eliminated in full. The accounting policies of the controlled entities are consistent with the policies adopted by BASG.
All Ministries, Department and Agencies of the Government shall be consolidated except Government Business Enterprises (GBEs).

8. Notes to the General Purpose Financial Statements

Notes to the GPFS shall be presented in a systematic manner. The Items in the Statements should cross reference to any related information in the Notes. It follows the format provided in the Standardized General Purpose Financial Statement.

9. Comparative Information

The General Purpose Financial Statements shall disclose all numerical information relating to previous period.

10. Budget Figures

These are figures from the approved budget in accordance with the Appropriation Act. The State prepares its annual budget on an accrual basis with the exception of certain non-cash items. Items such as depreciation, amortization and impairment are currently not included in the budgeting process.

2023 Appropriation Law

The Appropriation Law for 2023 passed by the State House of Assembly and assented to by the Governor, was ***₦298,168,012,094.66*** as summarized below:

	₦
Recurrent Expenditure	150,871,634,238.50
Capital Expenditure	147,296,377,856.16
	298,168,012,094.66

There was an increase of **51%** or **₦100,087,421,450.26** over the **2022** budget figure of ₦198,080,590,644.40

Sources of Funds for Implementation of the Budget

	₦
Opening Balance from 2022	35,384,769,529.71
Internally Generated Revenue	24,575,081,548.56
Statutory Allocation	139,747,964,721.42
Aids and Grants	25,315,787,776.99
Capital Receipts	95,520,823,842.50
	320,544,427,419.18

11. Revenue recognition

All revenue accruing to the Government shall be recognized when it is due and not when received. This shall be classified as Tax and Non-Tax Revenue.

Revenue from non-exchange transactions

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

Transfers from other government entities

Revenues from non-exchange: Transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the State and can be measured reliably.

Revenue from exchange transactions Rendering of services. The State recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours or cost incurred to date as a percentage of total estimated labour hours or total cost. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

12. Government Aid and Grants:

Aid and Grants to the Government are recognized as income on entitlement, while aid and grants to other governments/agencies are recognize as expenditure on commitment.

13. Subsidies, Donations and Endowments

Subsidies, Donations and Endowments to the Government are recognized as income when money is received, or entitlement to receive money is established; except where fulfilment of any restrictions attached to these monies is not possible.

14. Expenses

All expenses are reported on an accrual basis, i.e. all expenses are recognized in the period they are incurred or when the related services are enjoyed, irrespective of when the payment is made.

15. Employee Benefits:

Pension & Gratuity:

Provision has been made, where applicable, using an estimated values for retirement gratuities. To the extent that it is anticipated that the liability will arise during the following year the entitlements are recorded as Current Liabilities. The remainder of the anticipated entitlements are recorded as Non-Current Liabilities.

16. Interest on Loans:

Interest on loans is treated as expenditure or as a charge in the financial performance report (Statement of Financial Performance).

17. Foreign currency transactions:

Foreign currency transactions throughout the year are converted into Nigerian Naira at the ruling (Central Bank of Nigeria –CBN) rate of exchange at the dates of the transactions. Balances in foreign

currencies are translated at the exchange rate prevailing at the date of the preparation of the Financial Statements. Foreign Exchange gains/losses are recognised in the Statement of Financial Performance.

18. Statement of Cash flow

This statement is prepared using the direct method in accordance with the format provided in the GPFS. The Cash-flow statement shall consist of three (3) sections:

- Operating activities include cash received from all income sources of the Government and record of the cash payments made for the supply of goods and services.
- Investing activities are those activities relating to the acquisition and disposal of non-current assets.
- Financing activities comprise the change in equity and debt capital structure of the Government.

19. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the State's statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

20. 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. These inventories include: books, drugs, fertilizer, rice, etc.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost
- Finished goods and work in progress: cost of direct materials and 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. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the State.

21. Accounts Receivable

Accounts Receivables are shown at estimated realisable value after providing for bad and doubtful debts.

22. Prepayments

- Prepaid expenses are amounts paid in advance of receipt of goods or services.

- Prepaid expenses represent payments made early in the year for benefits to be received over the latter part of the year, or payments made in one year for benefits to be received in subsequent years. Prepayments for which the benefits are to be derived in the following 12 months is classified as Current Assets. Where the benefits are expected to accrue beyond the next 12 months, it is accounted for as a Long-Term Prepayment and classified as Non-Current Assets.
- Prepayments that are identifiable with specific future revenue or event, e.g adverts, should be expensed in the period in which the related event takes place; those that relate to specific time periods, e.g. insurance, rent, leasehold premises, should be recognised as an expense in such periods.

23. Property, Plant and Equipment (PPE)

All property, plant and Equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the State recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhaul is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset.

Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Bauchi State Government's Class of PPE and the relevant useful lives and depreciation rates are:

Buildings	2%
Infrastructure assets	2%
Plant & Machinery	10%
Furniture & Fittings	15%
Transport Equipment	20%
Office Equipment	10%

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount. The State derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

24. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time the cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment properties primarily comprises of rental yielding buildings. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 40-year period.

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

25. Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non -exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over its useful life.

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. Intangible assets with indefinite useful life are tested for impairment at least once a year regardless of impairment indicators. The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

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

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

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

Impairment of cash-generating assets

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

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

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

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

Impairment of non-cash-generating assets

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

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

In assessing value in use, the State has adopted the depreciation replacement cost approach

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

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

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

26. Leases

State as a lessee

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the State. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The State also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

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

State as a lessor

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

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

27. Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The State determines the classification of its financial assets at initial recognition. The State's financial assets include: cash and short-term deposits; trade and other receivables; loans and other receivables; quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus and deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with changes in fair value recognized in surplus or deficit.

28. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit. BASG has loans and receivables as at 31st December 2023

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the State has the positive intention and ability to hold it to maturity. After initial measurement, held -to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any

discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Available-for-sale financial assets

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

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

Derecognition

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

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

Impairment of financial assets

The State assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the State first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the State determines that no objective evidence

of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

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

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

Available-for-sale financial assets

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

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

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

29. Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The State determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs. The State's financial liabilities include payables, bank overdrafts, loans and borrowings, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification.
Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the State that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29.

Gains or losses on liabilities held for trading are recognized in surplus or deficit. BASG does not have any 'financial liability held for trading' as at 31st December 2023.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

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

Offsetting of financial instruments

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

Fair value of financial instruments

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

30. Provisions

Provisions are recognized when the State has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the State expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.
The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. The provisions primarily arise from ongoing litigations and from long-term environmental obligations for which there is present obligations, outflow is probable and reliable estimates could be made.

Restoration / Decommissioning liability

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

Contingent assets

The State does not recognize a contingent asset but discloses details of a probable asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the State in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

31. Changes in accounting policies and estimates

The State recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical. The State recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

32. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred.

Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

33. Related parties

The State regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the State, or vice versa. Members of key management are regarded as related parties and comprise
the State Executive Committee Members and Heads of Ministries, Departments and Agencies.

34. Service concession arrangements

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

35. Significant judgments and sources of estimation uncertainty

The preparation of the State's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

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

Estimates and assumptions

In accordance with IPSAS 1 P. 140, the key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of as sets
and liabilities within the next financial year, are described below. The State based its assumptions and estimates on parameters available when the State financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the State. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

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

Impairment of non-financial assets: cash-generating assets

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

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

Impairment of non-financial assets: non-cash generating assets

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

Fair value estimation – financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility.
Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the

obligation at the reporting date, and are discounted to present value where the effect is material. Provisions for legal settlements is based on the advice and judgments of qualified lawyers. The increase in provision due to passage of time is recognized as finance cost in the statement of financial performance. The cost of ongoing programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.

Held-to-maturity investments and loans and receivables

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

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

SA'IDU ABUBAKAR *PhD, FCNA, FCA., Acca*
ACCOUNTANT GENERAL
BAUCHI STATE

NOTES TO THE ACCOUNTS

BAUCHI STATE GOVERNMENT OF NIGERIA
NOTES TO THE GPFS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTE	*Details*	2023	2022
		₦	₦
1	Government Share of FAAC (Statutory Revenue)		
	Net Share of Statutory Allocation from FAAC	11,563,109,834	29,228,558,876
	Add :Deduction at source for Loan Repayment	24,318,525,909	16,180,464,814
	Share of FGN Infrastructure and FGN Palliative	23,000,000,000	0
	Electronic Money Transfer Levy to State Government	232,381,199	
	Share of Excess Crude Oil, Exchange Gains, Others	21,784,308,954	6,527,350,199
	Total(GROSS) FAAC Allocation to Bauchi State	**80,898,325,896**	**51,936,373,890**
	USUALLY, **THERE WAS ONE MONTH TIME LAG BETWEEN THE DECLARATION OF STATUTORY ALLOCATIONS AND THE PERIOD THAT THE ALLOCATION IS ACTUALLY RECEIVED BY THE STATE. THEREFORE, THE ALLOCATIONS FOR THE DECEMBER 2023 WERE RECEIVED IN JANUARY 2024. SAME ALLOCATIONS RECEIVED IN JANUARY 2024 TREATED AS DECEMBER 2023 ALLOCATIONS AND THEY WERE EQUALLY RECOGNISED AS RECEIVABLES AS AT DECEMBER 2023.**		
	TOTAL **RECEIPT PREVIOUSLY RECOGNISED UNDER CASH BASIS**		**84,043,159,482**
	TOTAL RECEIPT RECOGNISED UNDER IPSAS ACCRUAL BASIS		**80,898,325,896**
	DIFFERENCE AS A RESULTY OF IPSAS ACCRUAL TRANSITION		**3,144,833,586**
2	GOVERNMENT **SHARE OF VAT**	2023	2022
		₦	₦
	JANUARY	**2,814,668,142**	**2,291,055,923**
	FEBRUARY	2,725,064,694	2,669,116,721
	MARCH	2,491,076,372	2,107,059,573
	APRIL	2,459,928,343	2,599,023,028
	MAY	3,064,739,913	2,147,638,691
	JUNE	3,323,767,420	2,419,280,632
	JULY	3,291,890,545	2,389,033,502
	AUGUST	3,916,933,990	2,174,381,326
	SEPTEMBER	3,440,210,083	2,605,358,206
	OCTOBER	3,931,732,370	2,407,464,770
	NOVEMBER	4,076,184,763	2,592,940,938
	DECEMBER	5,629,765,908	2,517,137,763
	Total	41,165,962,542	28,919,491,073
3	Tax Revenue	**2023**	**2022**
	Indirect Tax	₦	₦
	BOARD OF INTERNAL REVENUE - STATE	19,999,670,135	16,982,662,034
	BAUCHI ROADS AND TRAFFIC AGENCY	0	**2,850,000**
	TOTAL- **Tax Revenue**	19,999,670,135	16,985,512,034

4	Non-Tax Revenue	2023	2022
		₦	₦
	Licences	63,405,012	44,722,700
	Fees	1,215,990,600	2,444,703,789
	Fines	42,055,567	18,636,134
	Sales	59,747,679	4,464,280
	Earnings	404,609,081	2,527,240
	Rent on Government Buildings	2,576,000	7,538,409
	Rent on Lands & Others	22,590	273,128
	TOTAL- Non-Tax Revenue	1,788,406,529	2,522,865,680
5	Investment Income	2023	2022
		₦	₦
	OFFICE OF THE ACCOUNTANT GENERAL	11,285,346	17,716,218
	TOTAL- Investment Income	11,285,346	17,716,218
6	Interest Earned	2023	2022
		₦	₦
	OFFICE OF THE ACCOUNTANT GENERAL	1,738,735,012	16,885,436
	TOTAL-Interest Earned	1,738,735,012	16,885,436
7	Aid & Grants Received	2023	2022
		₦	₦
	Bilateral	0	0
	Multi Lateral	6,179,868,551	8,875,747,667
	FG Aid & Grants	3,571,776,048	1,177,552,858
	TOTAL Details of Aid & Grants Received	9,751,644,599	10,053,300,525
8	Other Revenue	2023	2022
		₦	₦
	Repayments	6,796,430,600	5,690,977,316
	Re-Imbursement	32,000	43,000
	Total	6,796,462,600	5,691,020,316
9	Salaries and Wages	2023	2022
		₦	₦
	Administrative Sector:	2,463,116,847	2,054,266,994
	Economic Sector:	2,967,690,525	2,827,833,998
	Law & Justice:	2,881,639,647	2,885,729,226
	Social Service Sector:	5,735,527,165	5,078,240,154
	Administrative Sector:	515,692,307	431,486,648
	ECONOMIC SECTOR	2,105,869,105	1,938,575,268
	Regional Development:	97,188,145	88,735,508
	SOCIAL SERVICE SECTOR	13,642,281,978	12,330,423,630

	PUBLIC OFFICERS SALARY (CRF CHARGES)	2,038,104,463	1,082,131,664
	Total	32,447,110,181	28,717,423,091
10	Social Benefits	2023	2022
		₦	₦
	OFFICE OF THE HEAD OF CIVIL SERVICE	46,000,000	25,619,809
	BOARD OF INTERNAL REVENUE - STATE	**21,560,325**	**16,050,152**
	Pension and Gratuity	9,642,856,868	7,344,329,409
	Total	9,710,417,192	7,385,999,370
11	OVERHEAD COSTS	2023	2022
		₦	₦
	ADMINISTRATIVE SECTOR	35,224,875,028	29,922,901,007
	ECONOMIC SECTOR	13,021,745,917	4,686,960,163
	SOCIAL SECTOR	2,442,195,269	1,642,912,206
	REGIONAL SECTOR	0	0
	LAW & JUSTICE	938,467,544	650,626,259
	Total	51,627,283,758	36,903,399,634
12.0	Depreciation Charges	2023	2022
12.1	DEPRECIATION CHARGES - PPE	₦	₦
	DEPRECIAITION CHARGES - LAND & BUILDINGS	7,568,679,770	0
	DEPRECIATION CHARGES - INFRASTRUCTURE	8,620,975,842	0
	DEPRECIATION CHARGES - PLANT & MACHINERY	345,014,217	0
	DEPRECIATION CHARGES - TRANSPORTATION EQUIPMENT	1,230,535,339	0
	DEPRECIATION CHARGES - OFFICE EQUIPMENT	**2,213,239,819**	**0**
	DEPRECIATION CHARGES - FURNITURE & FITTINGS	**10,876,494,291**	**0**
	TOTAL	**30,854,939,278**	**0**
12.2	DEPRECIATION **CHARGES - INVESTMENT PROPERTY**		
		2023	2022
		₦	₦
	DEPRECIAITION CHARGES - LAND & BUILDINGS	0	0
	TOTAL	**0**	**0**
13	IMPAIRMENT CHARGES	2023	2022
13.1	IMPAIRMENT CHARGES - PPE	₦	₦
	IMPAIRMENT CHARGES - BUILDINGS	3,784,339,885	0

	IMPAIRMENT CHARGES - INFRASTRUCTURE	2,155,243,960	0
	IMPAIRMENT CHARGES - PLANT & MACHINERY	8,625,355	0
	IMPAIRMENT CHARGES - TRANSPORTATION EQUIPMENT	15,381,692	0
	IMPAIRMENT CHARGES - OFFICE EQUIPMENT	55,330,995	0
	IMPAIRMENT CHARGES - FURNITURE & FITTINGS	181,274,905	0
	TOTAL	6,200,196,793	0
13.2	IMPAIRMENT CHARGES - INVESTMENT PROPERTY	2023	2022
		₦	₦
	IMPAIRMENT CHARGES - LAND & BUILDINGS	15,950,000	0
	TOTAL	15,950,000	0
13.3	IMPAIRMENT CHARGES - INTANGIBLE ASSETS	2023	2022
		₦	₦
	IMPAIRMENT CHARGES - GOODWILL	0	0
	IMPAIRMENT CHARGES - PATENT RIGHT	0	0
	IMPAIRMENT CHARGES - COPYRIGHT	2,500,000	0
	IMPAIRMENT CHARGES - TRADE MARK	0	0
	IMPAIRMENT CHARGES - FRANCHISE	2,500,000	0
	TOTAL	5,000,000	0
	TOTAL IMPAIRMENT CHARGES	6,221,146,793	0
14	AMMORTIZATION CHARGES	2023	2022
		₦	₦
	AMMORTIZATION CHARGES - GOODWILL	0	0
	AMMORTIZATION CHARGES - PATENT RIGHT	0	0
	AMMORTIZATION CHARGES - SOFTWARE	25,500,000	0
	AMMORTIZATION CHARGES - COPYRIGHT	0	0
	AMMORTIZATION CHARGES - TRADE MARK	0	0
	AMMORTIZATION CHARGES - FRANCHISE	0	0
	AMMORTIZATION CHARGES - OTHERS	5,000,000	0
	TOTAL	30,500,000	0
15	PUBLIC DEBT CHARGES	2023	2022
15.1	FOREIGN INTEREST / DISCOUNT	₦	₦
	FOREIGN LOAN INTEREST CHARGES-GROUP 1	6,162,431,707	1,765,402,893
	FOREIGN LOAN INTEREST CHARGES-GROUP 2	0	0
	FOREIGN LOAN INTEREST CHARGES-GROUP 3	0	0
	TOTAL	6,162,431,707	1,765,402,893

15.2	DOMESTIC INTEREST / DISCOUNT	2023	2022
		₦	₦
	States Bonds 2021 & FGNTreasury **Bonds 2034**	3,100,386,071	2,206,309,368
	DOMESTIC LOAN INTEREST CHARGES-GROUP 2	**8,559,511,602**	**6,678,153,684**
	DOMESTIC LOAN INTEREST CHARGES-GROUP 3	0	0
	TOTAL	11,659,897,673	8,884,463,052
	Grand **Total**	17,822,329,381	10,649,865,945
16	TRANSFER TO **OTHER GOVERNMENT ENTITIES**	2023	2022
		₦	₦
	ADMINISTRATIVE SECTOR	1,113,008,327	778,329,921
	ECONOMIC SECTOR	793,566,318	824,606,865
	LAW & JUSTICE	290,805,163	0
	REGIONAL DEVELOPMENT	0	**223,251,186**
	SOCIAL SERVICE SECTOR	1,967,190,663	1,424,442,948
	TOTAL **TRANSFER TO OTHER GOVERNMENT ENTITIES**	4,164,570,471	3,250,630,920
17	GAIN/LOSS ON DISPOSAL OF **ASSET**	2023	2022
		₦	₦
	PROCEED FROM DISPOSAL OF PPE	**59,747,679**	0
	COST OF PPE DISPOSED	(58,397,679)	0
	TOTAL	1,350,000	0
18	Cash and Cash Equivalents	2023	2022
		₦	₦
	CRF Bank Balance (CBN/CRF Bank)	(3,321,197,380)	3,035,723,502
	Other Banks of the Treasury	1,409,913,721	97,489,591
	Cash Balances with Sub-Treasuries	**1,697,765,275**	**2,322,286,765**
	Cash Held by Ministries, Department & Agencies	5,754,727,201	1,253,644,974
	Total	5,541,208,817	6,709,144,831
19	**RECEIVABLES**	2023	2022
19.1	ADVANCES	₦	₦
	GENERAL	748,137,170	760,190,829
	BAJAJ MOTORCYCLE FOR BASG STAFF	6,220,000,000	0
	TOTAL	6,968,137,170	760,190,829

19.2	ARREARS OF REVENUE	2023	2022
		₦	₦
	REMITTANCE ON TRANSIT	3,522,875,858	29,392,401,287
	OTHERS	0	0
	TOTAL	3,522,875,858	29,392,401,287
20	PREPAYMENTS	2023	2022
		₦	₦
	IMPREST	276,880,521	270,718,821
	OTHERS	0	0
	TOTAL	276,880,521	270,718,821
21	**INVENTORIES**		
21.1	CLASSIFICATION BY **FUNCTIONS**	2023	2022
		₦	₦
	MEDICAL STORES	183,250,000	119,112,500
	INDUSTRIAL & CHEMICAL STORES	5,430,000	3,529,500
	AMMUNITIONS	0	0
	FUEL & LUBRICANTS	3,450,000	2,242,500
	AGRICULTURAL INPUTS	432,500,000	281,125,000
	FARM STOCK	1,320,350,000	858,227,500
	SCHOLASTIC MATERIALS	54,300,000	35,295,000
	STATIONERIES STORES	25,550,000	16,607,500
	PRINTED MATERIALS	10,500,000	6,825,000
	BUILDING MATERIALS	232,500	151,125
	STRATEGIC STOCK PILES	359,000	233,350
	UNISSUED CURRENCY	0	0
	STAMPS	235,000	152,750
	PROPERTY HELD FOR SALE	360,700,000	234,455,000
	OTHER STOCK	778,174,450	505,813,393
	WORK-IN-PROGRESS	203,500	132,275
	TOTAL	3,175,234,450	2,063,902,393
21.2	CLASSIFICATION BY **SECTORS**	2023	2022
	ADMINISTRATIVE SECTOR	1,428,855,503	928,756,077
	ECONOMIC SECTOR	1,270,093,780	825,560,957
	SOCIAL SECTOR	349,275,790	227,029,263
	REGIONAL SECTOR	0	0
	LAW & JUSTICE	127,009,378	82,556,096
	TOTAL	3,175,236,473	2,063,904,415
22	LONG TERM LOANS	2023	2022
22.1	**DOMESTIC LOANS**	₦	₦
	LOAN GRANTED TO 20 LGAS FOR SALARY (2015)	6,553,492,185	7,231,912,557
	SUB TOTAL	6,553,492,185	7,231,912,557

22.2	FOREIGN LOANS	2023	2022
		₦	₦
	LOAN TO FOREIGN/INTERNATIONAL ORGANIZATIONS	0.00	0.00
	SUB TOTAL	0.00	0.00
	TOTAL LONG TERM LOANS	6,553,492,184.86	7,231,912,557.47
23	**INVESTMENTS**		
23.1	LOCAL **INVESTMENTS**	2023	2022
		₦	₦
	QUOTED	761,319,818.94	331,662,067.59
	UN-QUOTED	3,920,944,108.00	3,920,944,108.00
	FIXED DEPOSITS	0.00	0.00
	SUB-TOTAL	4,682,263,926.94	4,252,606,175.59
23.2	FOREIGN **INVESTMENTS**	2023	2022
		₦	₦
	QUOTED	5,161,290	5,161,290
	UN-QUOTED	0	0
	FIXED DEPOSITS	0	0
	SUB-TOTAL	5,161,290	5,161,290
	TOTAL INVESTMENT	4,687,425,217	4,257,767,466
24	Property, Plant and Machinery (**PPE**)	2023	2022
24.1	BUILDINGS	₦	₦
	LAND & BUILDINGS - OFFICE	176,198,865,049	168,050,313,872
	LAND & BUILDINGS - RESIDENTIAL	135,819,958,475	129,538,783,610
	STORAGE FACILITIES	55,062,145,328	52,515,723,085
		367,080,968,853	350,104,820,566
24.2	INFRASTRUCTURE		
	ROADS & BRIDGES	117,676,320,241	104,770,825,477
	AIRPORTS	130,284,497,410	115,996,271,064
	HARBOURS/ SEA PORTS	0	0
	ZOOS, PARKS & RESERVES	46,229,982,952	41,159,967,152
	SECURITY INSTALLATIONS/ EQUIPMENT	16,810,902,892	14,967,260,782
	ELECTRICITY TRANSMISSION NETWORK	0	0
	WATER DISTRIBUTION NETWORK	37,824,531,506	33,676,336,760
	SEWAGE/ DRAINAGE NETWORK	26,267,035,768	23,386,344,973
	DAMS	23,114,991,476	20,579,983,576
	SPECIALISED RESEARCH EQUIPMENT (E.G. SATELLITE)	22,064,310,045	19,644,529,777
		420,272,572,290	374,181,519,561
24.3	PLANT & **MACHINERY**		

	EARTH MOVING EQUIPMENT - BULL DOZERS ETC.	1,145,705,960	968,916,101
	INDUSTRIAL EQUIPMENT	557,370,467	471,364,590
	NAVIGATIONAL EQUIPMENT	402,545,337	340,429,982
	POWER PLANTS	526,405,441	445,177,668
	POWER GENERATING SETS	464,475,389	392,803,825
		3,096,502,594	2,618,692,166
24.4	TRANSPORTATION EQUIPMENT		
	SHIPS	0	0
	AIR CRAFTS	0	0
	TRAINS	0	0
	SEA BOATS	0	0
	MOTOR VEHICLES	3,680,069,746	4,147,220,019
	TRICYCLE	637,878,756	718,851,470
	MOTOR CYCLES	343,473,176	387,073,868
	BICYCLE	245,337,983	276,481,335
		4,906,759,662	5,529,626,692
24.5	OFFICE EQUIPMENT		
	COMPUTERS	5,561,871,665	5,414,022,843
	PRINTERS	2,383,659,285	2,320,295,504
	SCANNERS	794,553,095	773,431,835
	FAX MACHINE	397,276,547	386,715,917
	PHOTOCOPIERS	3,774,127,201	3,673,801,215
	TYPE-WRITERS	397,276,547	386,715,917
	SHREDDING MACHINES	258,229,756	251,365,346
	TELEVISION SETS	2,482,978,422	2,416,974,483
	RADIO SETS	337,685,065	328,708,530
	AIR -CONDITIONER	2,880,254,969	2,803,690,401
	PROJECTORS	397,276,547	386,715,917
	BINDING EQUIPMENT	198,638,274	193,357,959
		19,863,827,374	19,335,795,868
24.6	FURNITURE & FITTINGS		
	CHAIRS	12,290,438,549	12,851,992,389
	TABLES	9,832,350,839	10,281,593,911
	FILE CABINETS/ CUPBOARDS	11,061,394,694	11,566,793,150
	STOOLS	8,603,306,984	8,996,394,672
	SHELVES	9,217,828,912	9,638,994,291
	CEILING FANS	10,446,872,767	10,924,193,530
		61,452,192,746	64,259,961,943
	GRAND TOTAL	876,672,823,519	816,030,416,796
25	OTHER PPE	2023	2022
		₦	₦
	SERVICE CONCESSION ASSETS	0	0
	LEASED ASSETS	0	0
	HERITAGE ASSETS	0	0
	BIOLOGICAL ASSETS	0	0
		0	0

26	INVESTMENT **PROPERTY**	2023	2022
		₦	₦
	BALANCE B/FORWARD (1st JANUARY, 2023)	15,950,000,000	15,950,000,000
	ADDITIONS DURING THE YEAR	0	0
	DISPOSAL DURING THE YEAR	0	0
	BALANCE C/FORWARD (1st DECEMBER, 2023)	**15,950,000,000**	**15,950,000,000**
	DEPRECIATION:		
	AS AT 1ST JAN 2023	0	0
	DURING THE YEAR	0	0
	DISPOSAL DURING THE YEAR	0	0
	AS AT 31ST DECEMBER 2023	**0**	**0**
	0		
	ACCUMULATED IMPAIRMENT:		
	AS AT 1ST JAN 2023	0	0
	DURING THE YEAR	15,950,000	0
	DISPOSAL DURING THE YEAR	0	0
	AS AT 31ST DECEMBER 2023	15,950,000	0
	NET **BOOK VALUE**	**15,934,050,000**	**15,950,000,000**
	DETAILS		
	INVESTMENT PROPERTY	2023	2022
	LAND & BUILDINGS - OFFICE	5,576,917,500	5,582,500,000
	LAND & BUILDINGS - RESIDENTIAL	8,763,727,500	8,772,500,000
	STORAGE FACILITIES	1,593,405,000	1,595,000,000
		15,934,050,000	**15,950,000,000**
27	INTANGIBLE ASSETS	2023	2022
		₦	₦
	GOODWILL	**205,000,000**	**205,000,000**
	SOFTWARE	**54,000,000**	**79,500,000**
	TRADE **MARKS**	3,000,000	5,500,000
	OTHERS	**52,500,000**	**60,000,000**
		314,500,000	**350,000,000**
28	**DEPOSIT**	2023	2022
		₦	₦
	RETENTION DEPOSIT	108,241,187	108,241,187
	STATION DEPOSIT	**438,076,647**	**302,549,108**
	OTHER	0	0
	Total	546,317,834	410,790,295
29	**SHORT TERM LOANS & DEBTS**	2023	2022
29.1	**TREASURY BILLS/DOMESTIC LOANS**	₦	₦

	BALANCE BROUGHT FORWARD 1/1/2023	93,692,063,843	74,277,574,917
	ADD:		
	ADDITIONS DURING THE YEAR	21,173,505,453	38,035,902,286
	ACCUMMULATED INTEREST/ CHARGES	8,559,511,602	0
	SUB-TOTAL (A)	**123,425,080,898**	**112,313,477,202**
	LESS:		
	REPAYMENTS FOR THE YEAR	15,266,894,698	11,943,259,676

30	UNREMITTED DEDUCTIONS	2023	2,023
30.1	UNREMITTED TAXES	₦	₦
	PAYE	(7,234,886,231)	(5,185,602,794)
	WITHHOLDING TAX	(740,107,397)	(890,496,980)
	VALUE ADDED TAX	(2,862,840,324)	(2,639,801,295)
	STAMP DUTY	11,461,419	57,722,250
	DEVELOPMENT LEVY	(19,395,135)	(40,019,114)
	TOTAL	(10,845,767,668)	(8,698,197,932)
30.2	UNREMITTED DEDUCTIONS FROM SALARY		
	CONTRIBUTORY PENSION SCHEME	312,365,665	321,548,307
	HEALTH INSURANCE SCHEME	(3,243,403)	(3,243,403)
	UNION DUES	669,662,179	1,083,270,305
	HOUSING LOAN BOARD DEDUCTIONS	(1,232,476,551)	(1,222,358,525)
	CO-OPERATIVE SOCEITY	(1,216,969,017)	(882,276,449)
	HOUSING FUND	(3,303,451,616)	(2,630,106,535)
	INSURANCE PROGRAMMES	(129,449)	113,949
	WELFARE LOAN SCHEME	151,203,992	151,252,131
	DEPENDENT FUND	(299,469,543)	(299,431,352)
	POVERTY ALLEVIATION SCHEME	3,972,242	4,810,668
	LOAN DEDUCTIONS	14,461,238	66,223,895
	OVERPAYMENT RECOVERABLE	(496,308,158)	(25,295,269)
	OTHER DEDUCTIONS	(909,936,673)	(692,885,755)
	TOTAL	(6,310,319,096)	(4,128,378,034)
	GRAND TOTAL	(17,156,086,763)	(12,826,575,966)

31	PAYABLES BY NATURE	2023	2022
		₦	₦
	PERSONNEL EMOLUMENTS	0	0
	PENSION & GRATUITY	31,214,793,967	28,058,733,849
	OUTSTANDING CONTRACTOR LIABILITIES	10,692,245,200	6,000,119,157
	JUDGEMENT DEBTS AND SOLICITORS FEE	467,046,663	277,291,677
	UTILITIES	3,770,275,598	3,229,208,899
	BAJAJ BOXER MOTOCYCLES -PAYABLE IN 12 MONTHS		
	BAJAJ BOXER MOTOCYCLES -PAYABLE AFTER 12 MONTHS	5,968,718,368	0
	RENTED PROPERTIES ARREARS	437,725,902	277,234,965
	TOTAL	***52,550,805,697***	***37,842,588,547***
32	SHORT TERM PROVISIONS	2023	2022
		₦	₦
	LEGAL CASES	0	0
	OTHERS	0	0
	TOTAL	**0**	**0**
	THIS REPRESENTS **PROVISIONS** FOR OBLIGATIONS FALLING DUE WITHIN ONE YEAR		
33	LONG TERM PROVISIONS	2023	2022
	THIS REPRESENTS PROVISION FOR OBLIGATIONS FALLING DUE AFTER ONE YEAR	₦	₦
	ASSETS DECOMMISSIONING	45,000,000	45,000,000
	OTHERS	10,000,000	10,000,000
	TOTAL	***55,000,000***	***55,000,000***

34.1	DOMESTIC BORROWINGS	2023	2022
		₦	₦
	States Bonds 2021 & FGN Treasury Bonds 2034	9,003,036,738	12,103,422,810
	North East Nig. Infrastructure Ltd (NENI LTD) Bridging Facility	35,233,689,886	0
	OTHERS	0	0
	SUB-TOTAL	**44,236,726,625**	**12,103,422,810**
34.2	BILATERAL LOANS		
	LOANS FROM OTHER STATE/NATION	0	
	SUB-TOTAL	0	0
43.3	**MULTILATERAL LOANS**		
	EXTERNAL LOANS	48,501,302,047	53,781,321,569
	EXCHANGE GAIN/LOSS	120,255,981,607	20,579,067,750
	OTHER	0	0
	SUB-TOTAL	**168,757,283,653**	**74,360,389,319**
34.3			
	TOTAL LONG TERM BORROWINGS	212,994,010,278	86,463,812,129
35	RESERVES		
	REVALUATION RESERVES	740,911,141,902	869,724,090,740
	OTHERS	0	0
	TOTAL	**740,911,141,902**	**869,724,090,740**
36	ACCUMULATED SURPLUSES/(DEFICITS)		
	BALC/D	(217,998,464,519)	0
	SURPLUS/ DEFICIT FOR YEAR	9,273,545,604	(217,998,464,519)
	BAL. B/D	**(208,724,918,914)**	**(217,998,464,519)**

Consolidated Revenue Fund:	**21,403,289,451**
Capital Development Fund:	**13,981,480,078**
Property, Plant & Equipment	816,030,416,796
Other Non-Current Assets	16,300,000,000
Inventories	2,063,904,415
Long Term Provisions	(55,000,000)
Adjustment for the year	0
TOTAL	869,724,090,740

Reconciliation Notes	2023
Reserves	₦
Balance b/f	**869,724,090,740**
Increase/(Decrease) in Total Assets	**40,630,172,759**
(Increase)/Decrease in Total Liabilities	(160,169,575,993)
Less Surplus for the Year	(9,273,545,604)
TOTAL	740,911,141,902

SCHEDULES AND SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS

1. BREAKDOWN OF GOVERNMENT SHARE OF FAAC (STATUTORY REVENUE)

	2023					
	1a	1b	1c	1d	1e	
MONTH	NET RECEIPT	DEDUCTION AT SOURCE	FGN INFRASTRUCTURE/PALLIATIVE	ELECTRONIC MONEY TRANSFER LEVY	EXCESS CRUDE/EXCHANGE GAINS AND OTHERS	TOTAL
	₦	₦	₦		₦	₦
JANUARY (Received in Feb. 2023)	762,498,865	2,241,315,417			1,392,712,426	4,396,526,708
FEBRUARY (Received in Mar. 2023)	550,289,087	2,308,552,820			1,453,508,840	4,312,350,748
MARCH (Received in Apr. 2023)	1,560,363,231	2,336,524,104			578,194,086	4,475,081,421
APRIL (Received in May. 2023)	816,784,760	1,951,350,768			2,054,190,211	4,822,325,739
MAY (Received in Jun. 2023)	2,197,251,154	1,989,579,068			750,374,867	4,937,205,089
JUNE (Received in Jul. 2023)	454,931,200	1,892,344,548			1,462,892,721	3,810,168,469
JULY (Received in Aug. 2023)	1,136,513,157	1,911,219,125	9,000,000,000		2,431,217,737	14,478,950,019
AUGUST (Received in Sept. 2023)	780,149,535	1,989,388,636			2,106,007,644	4,875,545,815
SEPTEMBER (Received in Oct. 2023)	1,066,425,280	1,997,039,349			3,107,892,432	6,171,357,061
OCTOBER (Received in Nov. 2023)	468,387,676	1,892,717,189	7,000,000,000		2,144,215,281	11,505,320,146
NOVEMBER (Received in Dec. 2023)	893,937,030	1,904,501,633	7,000,000,000		2,144,215,281	11,942,653,944
DECEMBER ((Received in Jan. 2024)	875,578,858	1,903,993,252	0	232,381,199	2,158,887,428	5,170,840,738
TOTAL	11,563,109,834	24,318,525,909	23,000,000,000	232,381,199	21,784,308,954	80,898,325,896
USUALLY, THERE WAS ONE MONTH TIME LAG BETWEEN THE DECLARATION OF STATUTORY ALLOCATIONS AND THE PERIOD THAT THE ALLOCATION IS ACTUALLY RECEIVED BY THE STATE. THEREFORE, THE ALLOCATIONS FOR THE DECEMBER 2023 WERE RECEIVED IN JANUARY 2024. SAME ALLOCATIONS RECEIVED IN JANUARY 2024 TREATED AS DECEMBER 2023 ALLOCATIONS AND THEY WERE EQUALLY RECOGNISED AS RECEIVABLES AS AT DECEMBER 2023.						
			₦			
TOTAL RECEIPT PREVIOUSLY RECOGNISED UNDER CASH BASIS			84,043,159,482			
TOTAL RECEIPT RECOGNISED UNDER IPSAS ACCRUAL BASIS			80,898,325,896			
DIFFERENCE AS A RESULTY OF IPSAS ACCRUAL TRANSITION			3,144,833,586			

2. SCHEDULE OF VAT ALLOCATION

DETAILS OF GOVERNMENT SHARE OF VAT			
	2023		
MONTH	NET RECEIPT	DEDUCTION AT SOURCE	TOTAL
	₦	₦	₦
FEBRUARY	2,814,668,142	-	2,814,668,142
MARCH	2,725,064,694	-	2,725,064,694
APRIL	2,491,076,372	-	2,491,076,372
MAY	2,459,928,343	-	2,459,928,343
JUNE	3,064,739,913	-	3,064,739,913
JULY	3,323,767,420	-	3,323,767,420
AUGUST	3,291,890,545	-	3,291,890,545
SEPTEMBER	3,916,933,990	-	3,916,933,990
OCTOBER	3,440,210,083	-	3,440,210,083
NOVEMBER	3,931,732,370	-	3,931,732,370
DECEMBER	4,076,184,763	-	4,076,184,763
JANUARY	5,629,765,908	-	5,629,765,908
TOTAL	41,165,962,542	-	41,165,962,542
TOTAL RECEIPT PREVIOUSLY RECOGNISED UNDER CASH BASIS		38,366,782,924	
TOTAL RECEIPT RECOGNISED UNDER IPSAS ACCRUAL BASIS		41,165,962,542	
DIFFERENCE AS A RESULTY OF IPSAS ACCRUAL TRANSITION		(2,799,179,618)	

USUALLY, THERE WAS ONE MONTH TIME LAG BETWEEN THE DECLARATION OF STATUTORY ALLOCATIONS AND THE PERIOD THAT THE ALLOCATION IS ACTUALLY RECEIVED BY THE STATE. THEREFORE, THE ALLOCATIONS FOR THE DECEMBER 2023 WERE RECEIVED IN JANUARY 2024. SAME ALLOCATIONS RECEIVED IN JANUARY 2024 TREATED AS DECEMBER 2023 ALLOCATIONS AND THEY WERE EQUALLY RECOGNISED AS RECEIVABLES AS AT DECEMBER 2023.

TOTAL RECEIPT PREVIOUSLY RECOGNISED UNDER CASH BASIS		38,366,782,924
TOTAL RECEIPT RECOGNISED UNDER IPSAS ACCRUAL BASIS		41,165,962,542
DIFFERENCE AS A RESULTY OF IPSAS ACCRUAL TRANSITION		(2,799,179,618)

USUALLY, THERE WAS ONE MONTH TIME LAG BETWEEN THE DECLARATION OF STATUTORY ALLOCATIONS AND THE PERIOD THAT THE ALLOCATION IS ACTUALLY RECEIVED BY THE STATE. THEREFORE, THE ALLOCATIONS FOR THE DECEMBER 2023 WERE RECEIVED IN JANUARY 2024. SAME ALLOCATIONS RECEIVED IN JANUARY 2024 TREATED AS DECEMBER 2023 ALLOCATIONS AND THEY WERE EQUALLY RECOGNISED AS RECEIVABLES AS AT DECEMBER 2023.

3. SHEDULE OF CASH AND CASH EQUIVALENTS

CLOSING CASH BOOK BALANCE OF MDAs	2023	2022
Administrative Sector:	₦	₦
GOVERNMENT HOUSE	6,168,674	326,689
DEPUTY GOVERNOR OFFICE (DGO)	1,628	2,565
SECRETARY TO THE STATE GOVERNMENT (SSG)	62,484,248	35,645,000
COOPERATIVE AND POVERTY ALLEVIATION (MCPA)	1,670,000	1,670,000
MIN OF RURAL DEVELOPMENT AND SPECIAL DUTIES		0
MINISTRY OF REL. AFFAIRS & COMM. RELETIONS (MORA&CR)	140,690	128,357
BAUCHI STATE HOUSE OF ASSEMBLY (BAHA)	564,537	160,581
BAUCHI STATE ASSEMBLY SERVICE COMMISSION (BASC)	27,074	14,950
MINISTRY OF INFORMATION (MOI)	(0)	(0)
BUREAU FOR INFORMATION TECHNOLOGY	2,658	8,414
OFFICE OF THE HEAD OF CIVIL SERVICE (OHCS)	4,915,405	35,416
OFFICE OF STATE AUDITOR GENERAL (STATE AUDIT)	40,401	19,391
OFFICE OF AUDITOR GENERAL FOR LOCAL GOV'T (LG AUDIT)	10,400	12,400
CIVIL SERVICE COMMISSION (CSC)	(3,079,501)	(389)
LOCAL GOVERNMENT SERVICE COMMISSION (LGSC)	109,119	3,797
MINISTRY FOR LOCAL GOVERNMENT AFFAIRS	0	0
MINISTRY OF AGRICULTURE	(3,596,001)	0
MINISTRY OF EDUCATION	3,593,384	141,664
MINISTRY OF COMMERCE AND INDUSTRY	63,414,603	119,713
MINISTRY OF FINANCE	11,018,642	10,325,639
MINISTRY OF HEALTH	3,430,938	3,424,746
MINISTRY OF JUSTICE	(0)	529
MINISTRY OF NATURAL RESOURCES	0	0
MINISTRY OF WORKS & TRANSPORT	33,822,795	34,919,262
MINISTRY OF LANDS & SURVEY	10,734	0
MINISTRY OF WATER RESOURCES	43,740	13,490
MINISTRY OF YOUTH & SPORTS	(57)	0
THE JUDICIARY	75,712	151,129
JUD. SERVICE COMMISSION	4,764	5,937
TEACHERS SERVICE COMMISSION	0	300
ZONAL EDUCATION OFFICE BAUCHI	147,443	147,443
ZONAL EDUCATION OFFICE KATAGUM		0
ZONAL EDUCATION OFFICE DARAZO		
BAUCHI STATE SCHOLARSHIP BOARD	(338,955)	1,723
SHARIA COURT OF APPEAL	0	0
MINISTRY OF BUDGET & PLANNING	12,231	19,798
BOARD OF INTERNAL REVENUE	169,578,568	135,176,668
MINISTRY OF WOMEN AFFAIRS AND CHILD DEV.	882,630	493,430
MINISTRY OF RURAL DEVELOPMENT AND SPECIAL DUTIES	53,621	7,859
MINISTRY OF TOURISM & CULTURE	485	4,405
MINISTRY OF HIGHER EDUCATION	0	
MINISTRY OF POWER, SCIENCE & TECHNOLOGY	20	17,724
MINISTRY OF SOLID MINERALS		0

MINISTRY OF SOCIAL DEVELOPMENT	7,859	
MINISTRY OF HOUSING & ENVIRONMENT	21,163	350,441,907
MINISTRY OF POWER & ENERGY		
COLLEGE OF HEALTH TECH. NINGI	115,250	70,250
BRC (AIDS & GRANTS)	1,037	1,037
BUDGET MONITORING,PRICE INTELLIGENTE AND PUBLIC PROCURE. UNIT	24	(2,900,000)
SEMA	2,717	7,950
MUSLIM PILGRIMS WELFARE BOARD	0	0
CHRISTAIN PILGRIMS WELFARE BOARD	2,455	9,518
BAUCHI STATE TELEVISION (BATV)	402,320	2,162
BAUCHI STATE PENSION BOARD	500	0
STATE INEC	506,623	22,623
COLLEGE OF AGRICULTURE	0	0
BSADP	146	146
BASAC	0	0
PHCDA AIDS AND GRAND	873,595,749	666,107,895
GALAMBI RANCHING	164	323
BAUCHI STATE WATER BOARD	0	0
RUWASSA	267,011	4,909,379
BAUCHI SHARIA COMMISSION	768	952
BACYWORD	6,962	7,257
BASEPA	40,020	0
SUBEB	3,834,129	0
SPECIAL SCHOOLS MANAGEMENT BOARD	2,659	4,560
BAUCHI STATE UNIVERSITY	0	0
COLLEGE OF EDUCATION AZARE	20,022,949	4,092
A D RUFAI CLIS MISAU	0	0
ATA POLYTECHNIC	466,687	466,687
BAUCHI STATE LIBRARY BOARD	3,913	2,094
COLLEGE OF EDUCATION KANGERE	0	0
BACATMA	3,578	3,578
COLLEGE OF NURSING AND MIDWIFERY	5,573	461,525
PHCDA	35,945	12,753
HOSPITAL MANAGEMENT BOARD	22,978,452	3,759
BASHCMA	1,099,172	495,624
BHETFUND	(667,495)	0
SPECIALIST HOSPITAL BAUCHI	2,849	15,756
MCSMED	(160,212)	3,653
DRUGS MEDICAL AND CONSUMABLES MGT AGENCY	126,089	99,489
BASAME	6,221	3,946
BASANE	363,828	64,793
BSDB	805	0
BAUCHI SPORTS COUNCIL	870	1,604
WIKKI TOURIST FC	30,348	72,446
YANKARI I AND II	2,515,827	2,515,827
BASOVCA	10,901,609	93,999
BASOVCA ADJUSTMENT	(13,884,416)	(13,884,416)
DMO	35,728	3,205

STATE BOUNDARY COMMISSION	183	1,465
OFFICE OF THE CHIEF OF STAFF	1,886	1,886
LOCAL GOVERNMENT PENSION BOARD	0	0
SUSTAINABLE DEVELOPMENT GOALS		
BAUCHI STATE SOCIAL INVESTMENT OFFICE		0
BUREAU OF PRIVATISATION AND ECONOMIC REFORMS	0	0
AGENCY FOR PEOPLE LIVING WITH DISABILITY	9,043	6,727
BAUCHI ROADS AND TRAFFIC AGENCY (BAROTA)	32,672	(2,374,858)
BAUCHI STATE TOURISM BOARD	177,225	2,751
RUWASSA AIDS AND GRANT	50,114,503	23,882,000
YANKARI TRANSPORT SERVICE II		0
SUBEB GRANT	1,744,904,648	0
CONRACT FINANCING	0	0
BAUCHI STATE OIL AND GAS ACADEMY	5,037	
FAMILY HOMES	1,716,219,800	
MINISTRY OF HUMANITARIAN AND DISASTER MANAGEMENT	965,355,700	
TOTAL	**5,754,727,201**	**1,253,644,974**
TOTAL Details of Cash Book Balances	**5,541,208,817**	**6,709,144,831**

4. SHECDULE OF NON-CURRENT ASSET

	BUILDINGS	INFRASTRUCTURE	PLANT & MACHINERY	TRANSPORTATION EQUIPMENT	OFFICE EQUIPMENT	FURNITURE & FITTINGS	TOTAL
COST/REVALUATION:	₦	₦	₦	₦	₦	₦	₦
AS AT 1ST JAN 2023	350,104,820,566	374,181,519,561	2,618,692,166	5,529,626,692	19,335,795,868	64,259,961,943	816,030,416,796
ADDITIONS DURING THE YEAR	28,329,167,942	56,867,272,532	831,450,000	623,050,000	2,855,000,000	8,250,000,000	97,755,940,473
DISPOSAL DURING THE YEAR	-	0	0	0	(58,397,679)	-	(58,397,679)
AS AT 31ST DECEMBER 2023	378,433,988,508	431,048,792,093	3,450,142,166	6,152,676,692	22,132,398,188	72,509,961,942	913,727,959,590
DEPRECIATION:							
AS AT 1ST JAN 2023	0	0	0	0	0	0	0
Rate	2%	2%	10%	20%	10%	15%	
DURING THE YEAR	7,568,679,770	8,620,975,842	345,014,217	1,230,535,338	2,213,239,819	10,876,494,291	30,854,939,277
DISPOSAL DURING THE YEAR	-	0	0	0	0	0	0
AS AT 31ST DECEMBER 2023	7,568,679,770	8,620,975,842	345,014,217	1,230,535,339	2,213,239,819	10,876,494,291	30,854,939,277
ACCUMULATED IMPAIRMENT:							
AS AT 1ST JAN 2023	0	0	0	0	0	0	0
Rate	1%	0.50%	0.25%	0.25%	0.25%	0.25%	
DURING THE YEAR	3,784,339,885	2,155,243,960	8,625,355	15,381,692	55,330,995	181,274,905	6,200,196,793
DISPOSAL DURING THE YEAR	0	0	0	0	0	0	0
AS AT 31ST DECEMBER 2023	3,784,339,885	2,155,243,960	8,625,355	15,381,692	55,330,995	181,274,905	6,200,196,793
NET BOOK VALUE							
AS AT 31/12/2023	367,080,968,853	420,272,572,290	3,096,502,594	4,906,759,662	19,863,827,374	61,452,192,746	876,672,823,519
AS AT 31/12/2022	350,104,820,566	374,181,519,561	2,618,692,166	5,529,626,692	19,335,795,868	64,259,961,943	816,030,416,796

5. SHEDULE OF BORROWING

North East Nig. Infrastructure Ltd (NENI LTD) Bridging Facility	0	35,233,689,886	35,233,689,886	0	35,233,689,886
OTHERS	0	0	0	0	0
SUB-TOTAL	12,103,422,810	35,233,689,886	47,337,112,696	(3,100,386,071)	44,236,726,625
	-	-	-	-	-
BILATERAL LOANS					
LOANS FROM OTHER STATE/NATION			0		0
SUB-TOTAL	0	0	0	0	0
MULTILATERAL LOANS					
EXTERNAL LOANS	53,781,321,569	882,412,185	54,663,733,754	(6,162,431,707)	48,501,302,047
EXCHANGE GAIN/LOSS	20,579,067,750	99,676,913,857	120,255,981,607	0	120,255,981,607
OTHER	0	0	0	0	0
SUB-TOTAL	74,360,389,319	100,559,326,041	174,919,715,361	(6,162,431,707)	168,757,283,653
	-	-	-	-	-
TOTAL LONG TERM BORROWINGS	86,463,812,129	135,793,015,928	222,256,828,056	(9,262,817,778)	212,994,010,278

BAUCHI STATE GOVERNMENT OF NIGERIA
STATEMENT OF FINANCIAL POSITION AS AT 1ST JANUARY, 2023

Description	Notes	1st January, 2023	Remarks
		₦	
ASSETS			
Current Assets			
Cash and Cash Equivalents	18	6,709,144,831	Aggregate all Bank Balances of the State
Receivables	19	30,152,592,116	Revolving Loans Outstanding/Remittances in transit & Advances
Prepayments	20	270,718,821	Imprest
Inventories	21	2,063,904,415	Deemed Cost
Total Current Assets A		**39,196,360,183**	
Non-Current Assets			
Long Term Loans	22	7,231,912,557	Loan granted to LGAs removed from Investments
Investments	23	4,257,767,466	State Government Investments less LGAs Loans
Property, Plant & Equipment	24	816,030,416,796	Deemed Cost
Investment Property	26	15,950,000,000	Deemed Cost
Intangible Assets	27	350,000,000	Deemed Cost
Total Non-Current Assets B		**843,820,096,819**	
Total Assets C = A + B		**883,016,457,002**	
LIABILITIES			
Current Liabilities			
Deposits	28	410,790,295	See Deposit of Existing Statement 2
Short Term Loans & Debts	29	93,692,063,843	NTB & Loans from Other Funds
Unremitted Deductions	30	12,826,575,966	See Trust and Other Public Funds of Existing Statement 2
Payables	31	37,842,588,547	Outstanding Salaries Note 2 of Existing Statement 2
Short Term Provisions		0	No Figure Available
Current Portion of Borrowings		-	No Figure Available
Total Current Liabilities D		**144,772,018,651**	
Non-Current Liabilities			
Public Funds		0	Other Public Funds balances
Long Term Provisions	33	55,000,000	No Figure Available
Long Term Borrowings	34	86,463,812,129	External Loans/FGN/States/LGC & Treasury Bonds
Total Non-Current Liabilities E		**86,518,812,129**	
Total Liabilities: F = D + E		**231,290,830,780**	
Net Assets: G = C - F		**651,725,626,222**	
NET ASSETS/EQUITY			
Capital Grant		-	No Figure Available
Reserves	35	869,724,090,740	CRF & CDF balances and other transitional adjustment
Accumulated Surpluses/(Deficits)	36	(217,998,464,519)	No Figure Available
Minority Interest		-	No Figure Available
Total Net Assets/Equity: H=G		**651,725,626,222**	