



Zimba Town Council

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ZIMBA TOWN COUNCIL

MAPATIZYA CONSTITUENCY DEVELOPMENT FUND FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024



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REPORT OF THE COUNCIL CHAIRPERSON

It is my honour to provide the background and overview of the performance of the Constituency Development Fund during the year ended 31st December, 2024.

Background of the Fund

The Constituency Development Fund (CDF or the Fund) was established by Article 162 of the Constitution of Zambia (Amendment) Act No. 2 of 2016. The appropriation of monies to the Fund and the management, disbursement, utilisation and accountability of the Fund are prescribed in the Constituency Development Fund Act No. 11 of 2018.

Purpose of the Fund

The Fund exists to finance projects implemented in the constituencies known as constituency development projects which include projects initiated by a person or a community for the benefit of the community.

The CDF Management and Implementation Structure

The activities of CDF are managed and implemented through a structure that cascades from District to Ward levels as follows:

- **District Level – Local Authorities**

At district level, the Fund is managed by Local Authorities. Section 8. (1) of the CDF Act No. 11 of 2018 states that “A Local Authority shall, subject to the approval of the Ministry responsible for finance, open and operate a special bank account in the name of each constituency for the purposes of the Fund at a commercial bank that the Local Authority may determine, in which the money received for the purposes of the Fund shall be deposited and kept.”

Further, under sections 5(4) and 10, Local Authorities are required to provide secretarial and accounting functions to the Fund at both district and constituency levels. In line with Local Authorities Accounting Policies (LAAPs) of 2019, Local Authorities produce audited financial statements for CDF at districts level which are used to produce financial statements consolidated at national level for the Fund.

- **Constituency Level – Constituency Development Fund Committee**

At constituency level, activities of the Fund are coordinated through the CDF committees established in line with Section 5 of the Act. The committees consist of part time members appointed by the Minister of Local Government.

Section 6 of the Act states that “The functions of a Committee are to—

- (a) ensure the compilation of proper records, returns and reports from the constituency;
- (b) receive and discuss annual reports and returns from the constituency;
- (c) receive a project list from the ward development committee within the constituency or proposals for joint projects with other constituencies;
- (d) deliberate on project proposals from the wards; and
- (e) develop and submit a project list to the Local Authority for onward transmission to the Minister.”

• **Ward Development Fund**

At constituency level, activities of the Fund are coordinated through the CDF committees established in line with Section 5 of the Act. The committees consist of part time members appointed by the Minister of Local Government.

The address of the registered office of Zimba Town Council is as follows: -

Zimba Town Council
Along Livingstone Road
P O Box 610100
ZIMBA

Major Developments / Key Policies Implemented During the Year

The Fund has seen a number of projects carried out during the year which include the following: -

- Construction of Schools
- Construction of staff houses
- Payment of Empowerment grants
- Payment of Secondary Schools and Skill Development Bursaries

Dr/Mr/Ms.

Council Secretary

Date.....

THE COUNCIL SECRETARY'S REPORT

I have the pleasure of presenting the report regarding the Constituency Development Fund together with the Financial Statements for the year ended 31st December, 2024 which disclose the sources, utilization and balances of cash for the Fund during the period under review.

Operating Results

	2024	2023
	Kwacha	Kwacha
Receipts	23,507,738	27,751,268
Expenditure	<u>36,452,021</u>	<u>24,189,104</u>
Surplus/(Deficit)	<u>-12,944,283</u>	<u>3,562,163</u>

Receipts

Total receipts amounted to K23,507,738 compared to K27,751,268 for the previous year. This represented 15.29% Decrease. The total receipt includes the interest received of K 494,529.

Expenditures

Total expenditure amounted to K36,452,021 compared to K24,189,104 for the previous year. This represented 50.70% Increase.

Surplus/Deficit

Surplus/ (Deficit) for the year was -K12,944,283.

Related Party Transactions

There were no related party transactions during the financial year.

Property, Plant and Equipment

Using disbursements from the Fund, property, plant and equipment amounting to K25,822,637 were acquired. The property, plant and equipment acquired and developed using the disbursements from the Fund were transferred to various ministries and institutions including Education, Health and Home Affairs.

Intangible Assets

There were no purchases of intangible assets during the year.

Constituency and Ward Development Committees

The number of CDF committees remained at one (1) in line with number of constituencies in the District and there were twelve (12) WDCs corresponding to the number of wards in Zimba District. There was no expenditure on administrative activities relating to organizing these committees across the District.

Auditors

In line with Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 and Section 14 of the Constituency Development Fund Act No. 11, CDF is audited by the Auditor-General.

DR/Mr/Ms.

Council Secretary

Date.....

STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

In line with requirements of Part III, Section 14 of the Constituency Development Fund Act No. 11 of 2018 and Part VI Section 70 (4) of the Public Finance Management Act No. 1 of 2018, the Minister of Local Government and Management are responsible for preparing and certifying the correctness of the Financial Statements for the year ended 31st December, 2024 which are free from material misstatement, whether due to fraud or error, and are prepared, in all material respects, in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS). In preparing the Financial Statements, the Ministry selected applicable policies from Central Government Accounting Policies (CGAPs) of December 2020 and applied them consistently, making judgment and estimates that were reasonable and prudent.

The Local Authority is also responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual Financial Statements and related information. The Auditor-General has audited the Financial Statements and his report is shown on pages 8 to 10.

The Ministry accepts responsibility for the annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with the Cash Basis IPSAS, the requirements of the Public Finance Management Act No.1 of 2018 and Central Government Accounting Policies (CGAPs) of 2020.

The Local Authority further accepts responsibility: -

- for the maintenance of accounting records that may be relied upon in the preparation of Financial Statements;
- for designing, implementing and maintaining systems of internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

To the best of our knowledge, proper books of accounts were maintained to support preparation of Financial Statements that comprise Statement A - Cash Receipts and Payments and Statement B – Comparison of Budget and Actual Amounts that present fairly the financial results of the Constituency Development Fund for the financial year ended 31st December, 2024.

Signed on behalf of Ministry of Local Government.

Name:.....**Name:**.....

Signature:.....**Signature:**.....

Date:.....**Date:**.....

Position: Director of Finance

Position: Council Secretary

Name:.....

Signature:.....

Date:.....

Position: Council Chairperson

INDEPENDENT AUDITOR'S REPORT

STATEMENT A - STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

		2024	2023
		Kwacha	Kwacha
RECEIPTS			
Funding	2	22,518,136	27,261,470
Loan Repayments	3	495,073	327,655
Other Receipts	4	494,529	162,142
TOTAL RECEIPTS		<u>23,507,738</u>	<u>27,751,268</u>
PAYMENTS			
Infrastructure Development	5	9,661,032	8,504,023
Rehabilitation Works	6	-	-
Asset Acquisition	7	15,818,796	2,861,840
Rural Electrification	8	-	-
Social Benefits	9	1,148,628	2,222,990
Loans	10	2,202,000	5,609,909
Secondary Schools and Skill Develo	11	3,652,865	2,911,768
Administrative Costs	12	3,112,061	2,078,575
Disaster Contingency	13	523,149	-
Other Payments	14	333,490	-
TOTAL PAYMENTS		<u>36,452,021</u>	<u>24,189,105</u>
Increase/(decrease) in Cash	-	<u>12,944,283</u>	<u>3,562,163</u>
Cash at beginning of the year		<u>22,764,124</u>	<u>19,201,961</u>
Cash at the end of the year	14	<u>9,819,841</u>	<u>22,764,124</u>

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 31ST DECEMBER, 2024**

	Original Budget Kwacha	Adjustments Kwacha	Final Budget Kwacha	Actual Amounts Kwacha	% Performan ce	Variance Kwacha	% Variance
RECEIPTS							
Funding	30,635,642	-	30,635,642	22,518,136	74%	(8,117,506)	-26%
Loan Repayments	-	-	-	495,073	#DIV/0!	495,073	#DIV/0!
Other Receipts	-	-	-	494,529	#DIV/0!	494,529	#DIV/0!
TOTAL RECEIPTS	30,635,642	-	30,635,642	23,507,738	77%	(7,127,904)	-23%
PAYMENTS							
Infrastructure Development	7,068,554	-	7,068,554	9,661,032	137%	(2,592,478)	-37%
Rehabilitation Works	-	-	-	-	#DIV/0!	-	#DIV/0!
Asset Acquisition	12,304,148	900,000	13,204,148	15,818,796	120%	(2,614,648)	-20%
Rural Electrification	1,000,000	-	1,000,000	-	0%	1,000,000	100%
Social Benefits	1,164,154	-	1,164,154	1,148,628	99%	15,526	1%
Loans	1,746,232	-	1,746,232	2,202,000	126%	(455,768)	-26%
Secondary Schools and Skill Develop	5,820,772	(2,150,000)	3,670,772	3,652,865	100%	17,907	0%
Administrative Costs	1,531,782	1,250,000	2,781,782	3,112,061	112%	(330,279)	-12%
Disaster Contingency	-	-	-	523,149	#DIV/0!	(523,149)	#DIV/0!
Other Payments	-	-	-	333,490	#DIV/0!	(333,490)	#DIV/0!
TOTAL PAYMENTS	30,635,642	-	30,635,642	36,452,021	119%	(5,816,379)	-19%
Increase/(Decrease in Cash	0	-	0	(12,944,283)		(12,944,283)	

The composition of budget adjustments and explanations of major variances are provided in note 23

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of the Preparation of the Financial Statements

The Financial Statements have been prepared in accordance with Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*, issued by the International Public Sector Accounting Standards Board (IPSASB) and Local Authorities Accounting Policies (LAAPs).

These Financial Statements have been prepared in accordance with the historical cost convention as the basis of measurement, unless specified otherwise. The accounting policies have been applied consistently throughout the period.

1.1 Migration to Accrual Basis Financial Reporting

The Ministry is required, under the Constituency Development Fund Act No. 11 of 2018 to produce a Statement of Comprehensive Income and a Statement of Financial Position for the Fund. The production of these statements entails adoption and application of Accrual Basis of Accounting in financial reporting. In applying Cash Basis of Accounting, the Ministry followed guidance listed below:

- (a) Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*.

This standard provides that public sector entities adopting Accrual Basis for the first time may apply Cash Basis IPSAS provisions as an intermediate step to assist them in the transition to Accrual Basis IPSASs. In this vein, the Ministry has produced these financial statements under Cash Basis IPSAS as part of its transition to Accrual Basis of Accounting.

- (b) Accounting Pronouncement: 2018/3 – Applicability of International Public Sector Accounting Standards (IPSASs).

This pronouncement issued by the Zambia Institute of Chartered Accountants (ZICA) pursuant to the Accountants Act, 2008 requires the adoption of Accrual Basis of Accounting by public entities by 31st December, 2022. The Ministry is preparing to adopt Accrual Basis IPSASs on 1st January, 2022

- (c) Treasury and Financial Management Circular No. 10 of 2019 issued by the Secretary to the Treasury pursuant to the Public Financial Management Act, No. 1 of 2018 to Local Authorities. The Ministry uses financial statements from Local Authorities guided by the circular to produce CDF financial statements at national level. The Circular provides as follows:

- i. That in order to have a standard financial reporting framework, all Local Authorities should adopt the International Public Sector Accounting Standards (IPSASs) Cash Basis of Accounting as a first step in migration to IPSASs Accrual Basis of Accounting.
- ii. Local Authorities shall use Part 2 of Cash Basis IPSAS which requires extra disclosures called ‘Encouraged Additional Disclosures’ in Cash Basis financial statements for the years ending 31st December 2019 up to 2021.

- iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1st January, 2022 by following the guidelines provided in IPSAS 33 – “First Time Adoption of Accrual Basis IPSASs”.
- iv. That the three (3) year transition period provided under IPSAS 33 should commence on 1st January, 2022 and should end on 31st December, 2024. Thereafter, all Local Authorities shall be required to comply fully with Accrual Basis IPSASs and so shall the Ministry.

Based on these guidelines, the Ministry has not yet commenced production of Accrual Basis financial statements required by the Constituency Development Fund Act No. 11 of 2018. However, the Ministry has adopted Part 2 Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting* to help it transition its financial reporting to Accrual Basis IPSASs.

1.2 Reporting Entity

These Financial Statements are for the Constituency Development Fund as set up in the Constitution of Zambia (Amendment) Act No. 2 of 2016 and as regulated through the Constituency Development Fund Act No. 11 of 2018 and the Public Finance Management Act No. 1 of 2018. The Ministry of Local Government is the reporting entity for the Fund.

The principal function of the Ministry in relation to CDF is to ensure that development is taken local to communities.

1.3 Authorisation Date

The Financial Statements were authorised for issue on by the ordinary/special Council.

1.4 Receipts

Receipts consist of cash receipts from funding, external assistance and other receipts which are recognised when the cash is received. Funding consists of amounts appropriated by Parliament which the Treasury releases to the Fund. The Ministry does not operate its own bank accounts for the amounts from the Treasury. Instead, the Government through the Ministry of Finance Treasury Services Department operates a centralised treasury function through the Treasury Single Account (TSA) set up in line with Section 25 of the PFMA 2018.

Amounts are funded every year to the Local Authority by the Ministry of Finance.

The Local Authority does not operate third party accounts to cater for CDF projects. The balances on CDF accounts are reported in the financial statements.

1.5 Expenditure

Expenditure is recognised when payment is made for expenses incurred by local authorities at district level. Local authorities incur expenditure relating to the discharge of its functions which includes expenses relating to community projects and administration.

Items of a capital nature are expensed at the time of payment and such transactions are depicted in the appropriate class and heading in the Financial Statements. Since capital expenditure is

expensed when incurred, neither depreciation nor amortization is charged on Non-Current Assets.

1.6 Reporting on Gross Basis

Transactions are reported on gross basis without netting off similar classes of receipts and payments. However, transactions may be reported on net basis when they relate to transactions the Ministry administers on behalf of other entities recognised in the Financial Statements

1.7 Cash on hand at the Beginning and the End of the Year

Cash at the beginning and end of the year consist of cash on hand, demand deposits and cash equivalents held at such dates.

Cash on hand refers to notes and coins held by the local authorities at the reporting date and it includes petty cash and cash collections relating not yet deposited into bank accounts. Demand deposits consist of reconciled balances held in the CDF bank accounts operated at district level by local authorities which they can use on demand. Cash equivalents, on the other hand, refer to short term high liquid investments that can easily be converted to known amounts of cash and are subject to insignificant risk of change in values.

The Ministry recognises all short-term high liquid investments having maturities of three months or less as cash equivalents.

1.8 Presentation Currency

The presentation currency is Zambian Kwacha.

1.9 Foreign Currencies

Transactions in other currencies are converted into Zambian Kwacha using the Spot rate at the time of receipt or payment. Balances expressed in foreign currencies at the year-end are translated into Kwacha at the ruling rate then. The resulting difference from the conversion and translation are charged to the Statement of Cash Receipts and Payments.

1.10 Borrowings

There was no borrowing during the year under review.

1.11 Budgets and Actual Amounts

A final budget includes all adjustments (supplementary and re-allocations) made to the original approved budget during the year. Supplementary budgets consist of additional provisions beyond what was originally approved while re-allocations are approved budget variations.

The approved budget is developed on the same accounting and classification basis as Statement of Cash Receipts and Payments and Statement of Comparison of Budget and Actual Amounts for the same period as for the Financial Statements. All material differences between final

budgets and actual amounts are explained in the notes to the annual Financial Statements. Budget differences of + – 20% and above are considered material.

1.12 Encouraged Disclosures of Accrual Type of Items

The Council makes Accrual Basis type of disclosures called Encouraged Additional Disclosures in line with Part 2 of Cash Basis IPSAS as follows: -

i. Property, Plant and Equipment

These are assets that have useful economic lives or service potential of more than one year. They are recorded and disclosed at either cost or valuation. Valuations are conducted by the Government Valuation Department. Where valuation has been undertaken, the applicable valuation bases are as follows: -

- Land Market Value
- Buildings Historical Cost or Market Value
- Plant and Equipment Historical Cost

Related parties include: -

- (a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Ministry or local authorities;
- (b) Associates being entities over which the Ministry or Local Authorities have significant influence;
- (c) Individuals that have significant influence over the Controlling Officer or Principal Officers such as Members of Parliament, Chiefs and close family members of such individuals;
- (d) Key management personnel, and close members of the family of key management personnel; and
- (e) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) or (d), or over which such a person is able to exercise significant influence.

The key management personnel of the Local Authority are: -

- (a) The Council Secretary
- (b) Chief Officers.
- (c) Members of the Audit and Procurement Committee
- (d) Members of the CDF committee.

Spouses, children and grandchildren, grandparents, brothers, sisters, parents in law, brothers in law, and sisters in law of key management personnel are related parties to the Ministry.

The Council discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the Financial Statements. Such transactions may include remuneration, loans and contracts awarded to key management personnel and their close relatives.

External Assistance

External assistance comprises grants from multilateral and bilateral agencies provided under agreements specifying the purposes for which the assistance will be utilised.

Zimba Town Council discloses total external assistance received in cash during the period, total external assistance paid by the agencies for the benefit of the Council, external assistance received in form of loans and grants, their classifications, purposes for which it was received and undrawn balances.

ii. Other Receipts

Other receipts include interest earned on cash deposits, Donations in Cash, etc.

During the period under review, no other receipts were received apart from the funds received from the government.

iii. Payments to Third Parties

Third party payments also known as direct payments are those that are made by third parties to construct or acquire property, plant and equipment and or pay for services on behalf of the Fund. These do not constitute cash receipts and payments by the Council. They include payments for goods and services made by multilateral and bilateral aid agencies and non-governmental organizations and are included in the disclosures of external assistance.

NOTES TO THE FINANCIAL STATEMENTS

2. Funding

During the year, the Council received funding from the Treasury as follows: -

	2024	2023
Funding	Kwacha	Kwacha
Community Projects	12,255,195	15,086,492
Empowerments	1,164,154	2,151,857
Revolving Fund	1,746,232	3,227,785
Bursaries	5,820,772	5,379,641
Administrative Costs	1,531,782	1,415,695
Total	<u>22,518,136</u>	<u>27,261,470</u>

3. Loan Repayments

The Council received a sum of K495,073 for loan repayments during the year 2024.

4. Other Receipts

The Council received a total sum of K494,529 as interest earned on the Revolving Fund account and loans during the year 2024.

5. Infrastructure Development

Infrastructure Development includes payments made towards construction of buildings, roads and buildings.

Expenditure	2024	2023
	Kwacha	Kwacha
Const. of Primary Schools	2,932,592	2,197,919
Const. of Secondary schools	-	541,199
Const. of Feeder Roads	-	-
Const. of Market Shelters	-	-
Const. of Bus Stations	-	-
Const. of Clinics/Rural Health Posts	2,859,395	2,531,154
Const. of Staff House	986,857	16,640
Const. of Police Stations	-	-
Const. of Culverts/Bridges	-	2,626,827
Const. of Boreholes	2,882,187	915,872
Const. of Ablution Blocks	-	-
Const. of Community Halls	-	-
Const. of Dams	-	-
Const. of Street Lights	-	-
Const. of Water Schemes	-	-
Const. of Chiefs Palace	-	-
Const. Of Fish Pond	-	-
Const. of Agricultural infrastructure	-	-
Const. of Council Infrastructure	-	14,412
Const. of Radio Station	-	-
Const. of Storage Shades	-	-
Other Construction works	-	-
TOTAL	9,661,032	8,844,023

6. Rehabilitation Works

Payments	2023	2022
	Kwacha	Kwacha
Rehab. of primary schools	-	-
Rehab. of secondary schools	-	-
Rehab. of Health facilities	-	-
Rehab. of feeder roads	-	-
Rehab. of bus shelters	-	-
Rehab. of markets	-	-
Rehab. of community halls	-	-
Rehab. of bridges	-	-
Rehab. of Palaces	-	-
Rehab. of Police Stations	-	-
Rehab. of Boreholes	-	-
Rehab. of township roads	-	-
Rehab. of (Servicing of machinery)	-	-
Rehab. of Agricultural infrastructure	-	-
Rehab. of Council Infrastructure	-	-
Rehab. of Dams	-	-
Other Rehabilitation	-	-
TOTAL	-	-

7. Asset Acquisition

Acquisition of assets involved the following payments: -

	2024 Kwacha	2023 Kwacha
Purchase of motor vehicles	-	-
Equipment	-	-
Furniture	-	2,813,040
Plant & Machinery	14,184,148	-
Building	-	-
Produced assets (Upgrading and rehabilitation of roads)	206,817	-
Specialised Motor Vehicles	-	-
Furniture and other assets (Desks and Computers)	1,247,492	48,800
TOTAL	<u>15,638,456</u>	<u>2,861,840</u>

8. Rural Electrification

Rural electrification involved the following payments;

	2024 Kwacha	2023 Kwacha
Schools	-	-
Health Facilities	-	-
Police Stations	-	-
Local Costs	-	-
Chiefs Palaces	-	-
Any other Community Projects	-	-

9. Social Benefits

The Council also made various payments on social benefits: -

	2024 Kwacha	2023 Kwacha
Youth Empowerment grants		
Women empowerment grants		
Life and Business Skills Training		
Productivity grants		
Saving Clubs	-	-
Community empowerment grants	1,148,628	2,222,900
TOTAL	<u>1,148,628</u>	<u>2,222,900</u>

10. Loans

The Council made payments totalling K2,202,000 on loans during the year 2024.

11. Secondary Schools and Skill Development Bursaries

The Council also made various payments on Secondary Schools and Skill Development Bursaries :-

	2024	2023
	Kwacha	Kwacha
Skills Development	2,037,665	1,354,093
Secondary Boarding Schools	1,615,200	1,557,675
TOTAL	<u>3,652,865</u>	<u>2,911,768</u>

12. Administrative Costs

The Council also made various payments on administrative costs: -

	2024	2023
	Kwacha	Kwacha
Supervision cost for Civil works	214,967	180,362
Special assistance benefits	-	-
Bank charges	3,110	2,335
Monitoring of civil works	665,907	174,528
Refreshments for Meetings	368,048	81,732
Stationery	164,588	124,684
Allowances	603,975	885,026
Transport	52,730	84,340
Fuel	112,430	313,336
Office equipment	24,312	-
Others	1,082,335	232,233
TOTAL	<u>3,292,401</u>	<u>2,078,575</u>

13. Disaster Contingency

The Council made payments amounting to K523,149 for the Disaster Contingency.

14. Other Payments

The Council had other payments amounting to K333,490 as a result of funds which were mopped up but reimbursed less by K203,714 and earned interest amounting to K129,776 remitted to the Ministry of Finance and National Planning.

	2024	2023
	Kwacha	Kwacha
Mopped Up Funds by MoFNP on 26/03/2024	9,240,019	-
Mopped Up Funds Reimbursed by MoFNP on 21/05/2024	- 9,036,305	
Earned Interest Remitted to MoFNP on 20/05/2024	129,776	-
TOTAL	333,490	-

15. Cash Balances

The Council's cash amounts consisted of cash on hand, demand deposits and cash equivalents.

	2024	2023
	Kwacha	Kwacha
Cash on hand (a)	-	-
Demand Deposits (b)	9,819,841	22,764,125
Cash equivalents (c)	-	-
TOTAL	9,819,841	22,764,125

a. Cash on hand

The Council did not have cash on hand at the end of the year.

b. Demand Deposits – Bank Balances

The Council had the following reconciled bank account balances as at 31st December 2024:

	2024	2023
Account Name	Kwacha	Kwacha
Bank Balance from Indo Account - 0292020000026	7,236,164	21,968,725
Bank Balance from Revolv. fund - 0292020000163	2,583,677	795,400
TOTAL	9,819,841	22,764,125

c. Cash Equivalents

The Council held no cash equivalents at the end of the year.

16. Budget Adjustments and Variances

a. Budget Adjustments

The original budget was approved by the Minister on 27th February 2024 subsequent approved adjustments to the budgets were done during the year under review.

ZIMBA TOWN COUNCIL
FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2024

	Approved Supplementary Kwacha	Approved Variations Kwacha	Total Adjustments Kwacha
RECEIPTS			
Funding	-	-	-
Loan Repayments	-	-	-
Other Receipts	-	-	-
TOTAL RECEIPTS	-	-	-
PAYMENTS			
Infrastructure Development	-	-	-
Rehabilitation Works	-	-	-
Asset Acquisition	-	1,000,000	1,000,000
Rural Electrification	-	-	-
Social Benefits	-	-	-
Loans	-	-	-
Secondary Schools and Skill Development Bursaries	-	(2,500,000)	(2,500,000)
Administrative Costs	-	1,500,000	1,500,000
Disaster Contingency	-	-	-
Other Payments	-	-	-
TOTAL EXPENDITURE	-	-	-

b. Budget Variances

• **Funding from the Treasury**

National Assembly appropriated K30,635,642 in the national budget to the Fund to finance CDF projects and other CDF related requirements out of which K22,518,136 funding was actually released to the Council resulting in underfunding of K8,117,506 representing 27% of the appropriated amount. The variance is due to funds deducted at source for procurement of ambulance, procurement of motor bikes for chief retainers, rural electrification project and funds not yet released by the ministry for other projects for the year 2024.

• **Infrastructure Development**

The Minister of Local Government approved amounts totalling K7,951,052 towards meeting infrastructure development projects in Mapatizya Constituency. However, amounts totalling K10,357,078 were spent resulting in an adverse variance of K2,406,026 representing 30% of the approved amounts. The variance is due to expenditure on the completion of projects which were in work in progress during the year 2023.

• **Rehabilitation Works**

Council did not submit any amount for the Minister of Local Government to approve towards rehabilitation works in Mapatizya Constituency.

• **Asset Acquisition**

The Minister of Local Government approved amounts totalling K11,421,650 towards meeting acquisition of heavy equipment for Mapatizya Constituency. However, amounts totalling K15,352,768 were spent resulting in an adverse variance of K3,911,118 representing 34% of

the approved amounts. The variance is due to expenditure on the completion of projects which were in work in progress during the year 2023.

- **Rural Electrification**

The Minister of Local Government approved amounts totalling K1,000,000 towards rural electrification for Mapatizya Constituency. However, no amounts were spent resulting in a favourable variance of K1,000,000 representing 100% of the approved amounts. The variance is due to non-spending by the ministry as the project was undertaken by central Government.

- **Soft Loans**

The Minister of Local Government approved amounts totalling K1,746,232 towards meeting soft Loans in Mapatizya Constituency. However, amounts totalling K2,202,000 were spent resulting in an unfavourable variance of K455,768 representing 26% of the approved amounts. The variance is due to the funds for the loan component of the 2023 allocation which were spent in the year under review.

- **Secondary Schools and Skills Development Bursaries**

The Minister of Local Government approved amounts totalling K5,820,772 towards meeting Secondary Schools and Skills Development Bursaries in Mapatizya Constituency. However, amounts totalling K3,652,865 were spent resulting in a favourable variance of K2,167,907 representing 37% of the approved amounts. The variance is due to poor response by the targeted beneficiaries and some bills still not submitted to Council for payments.

- **Administrative Costs**

The Minister of Local Government approved amounts totalling K1,531,782 towards meeting administrative costs in various wards across the district. However, amounts totalling K3,420,714 were spent leading to an adverse variance of K1,888,932 representing 123%. The variance is due to the carried forward amounts for administrative component of the 2023 CDF Allocation which were spent during the year under review.

- **Other Payments**

Council did not submit any amount for the Minister of Local Government to approve towards other payments for Mapatizya Constituency.

However, funds amounting to K203,714 were mopped and earned interest amounting to K129,776 remitted to the Ministry of Finance and National Planning resulting in an adverse variance of K333,490 representing 100%.

17. Property, Plant and Equipment

The Council had property, plant and Equipment which were still in the process of valuation.

**ZIMBA TOWN COUNCIL
FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2024**

	Land	Land and Buildings	Plant & Machinery	Motor vehicles	Other & Assets	Office Equipment Furniture	TOTAL
	Kwacha	Kwacha	Kwacha	Kwacha	Kwacha	Kwacha	Kwacha
		K'000	K'000	K'000	K'000	K'000	K'000
Opening balance		10,012			49	658	10,719
Additions		10,184	14,184		207	1,248	25,823
Revaluation							-
Re-classification(embankment)							-
Disposal						1,038	1,038
Closing balance	-	20,196	14,184	-	256	868	35,504

Disposal assets relate to desks which were procured and distributed to various schools in the district