



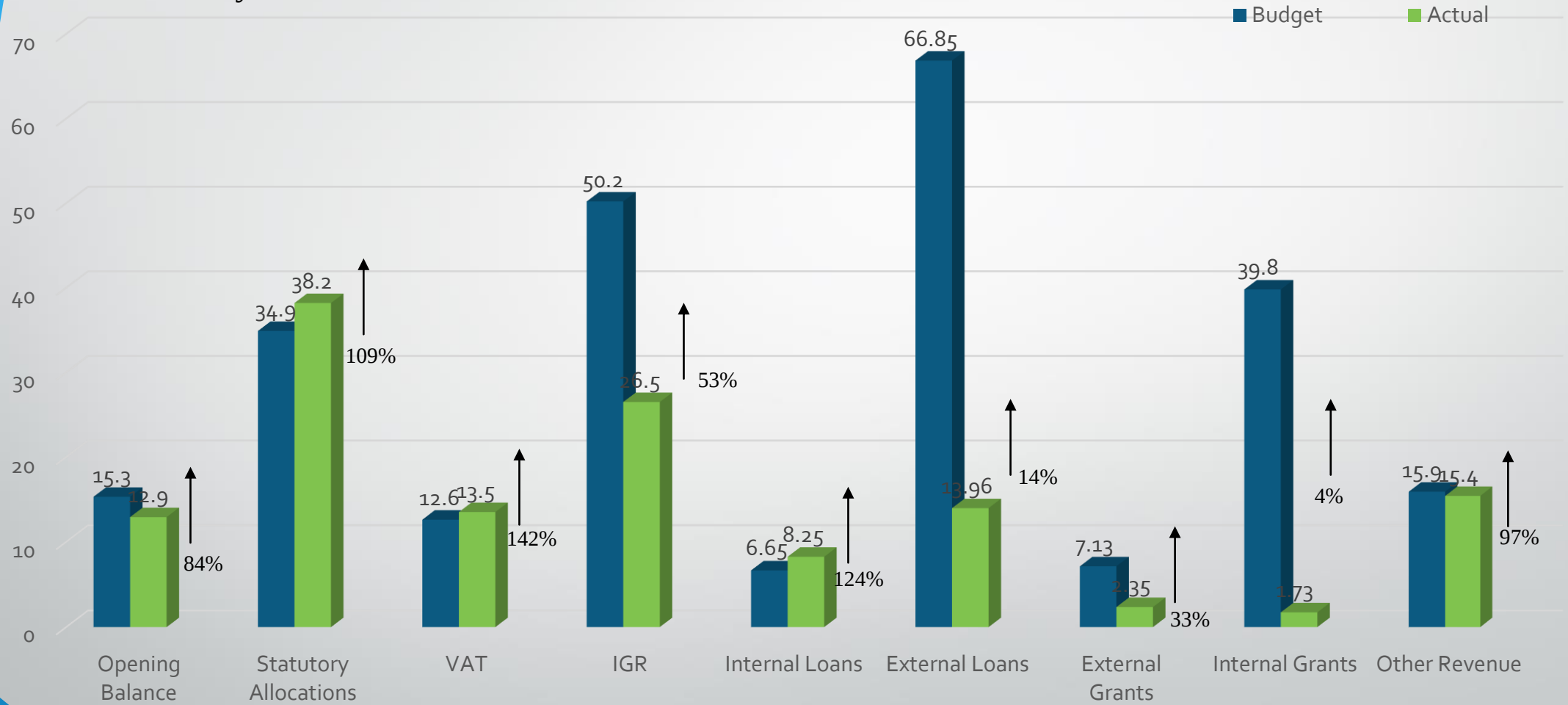
KADUNA STATE GOVERNMENT
2018 BUDGET IMPLEMENTATION REPORT
BY
COMMISSIONER OF FINANCE

OUTLINE:

- Recap of 2017 Budget Performance
- 2018 Budget Summary
- Three years Budget, Expenditure and Revenue Trend
- Key Pillars and Fundamental Metrics
- Key Implementation Strategies
- 2018 Budget Performance
- Revenue Performance Appraisal
- Expenditure Performance Appraisal
- Pension and Debt Portfolio
- Conclusion and Recommendation(s)
- Annexures:
 - Breakdown of MDAs Collected IGR Performance
 - Breakdown of MDAs Capital Expenditure Performance

Recap of 2017 Budget Performance

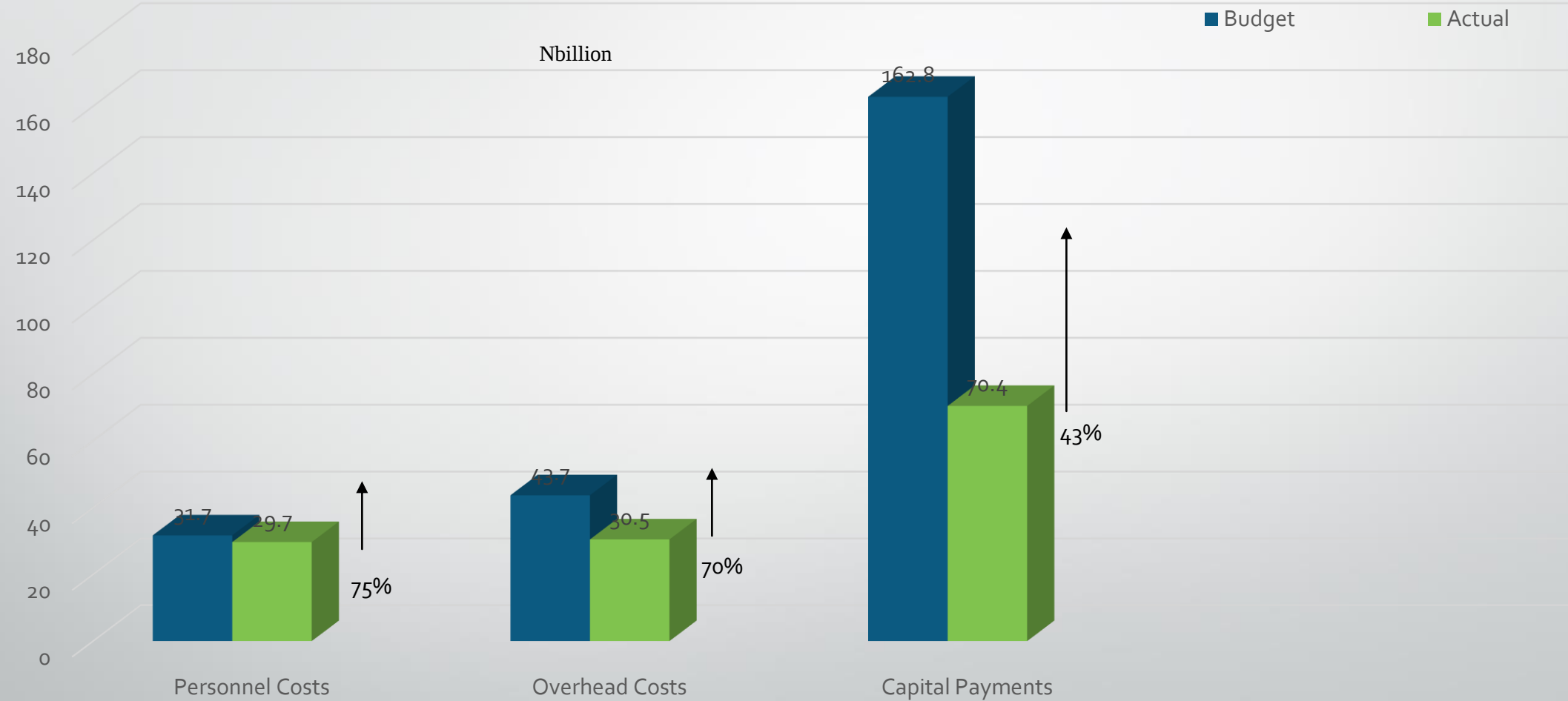
Revenue Analysis



Nbillion

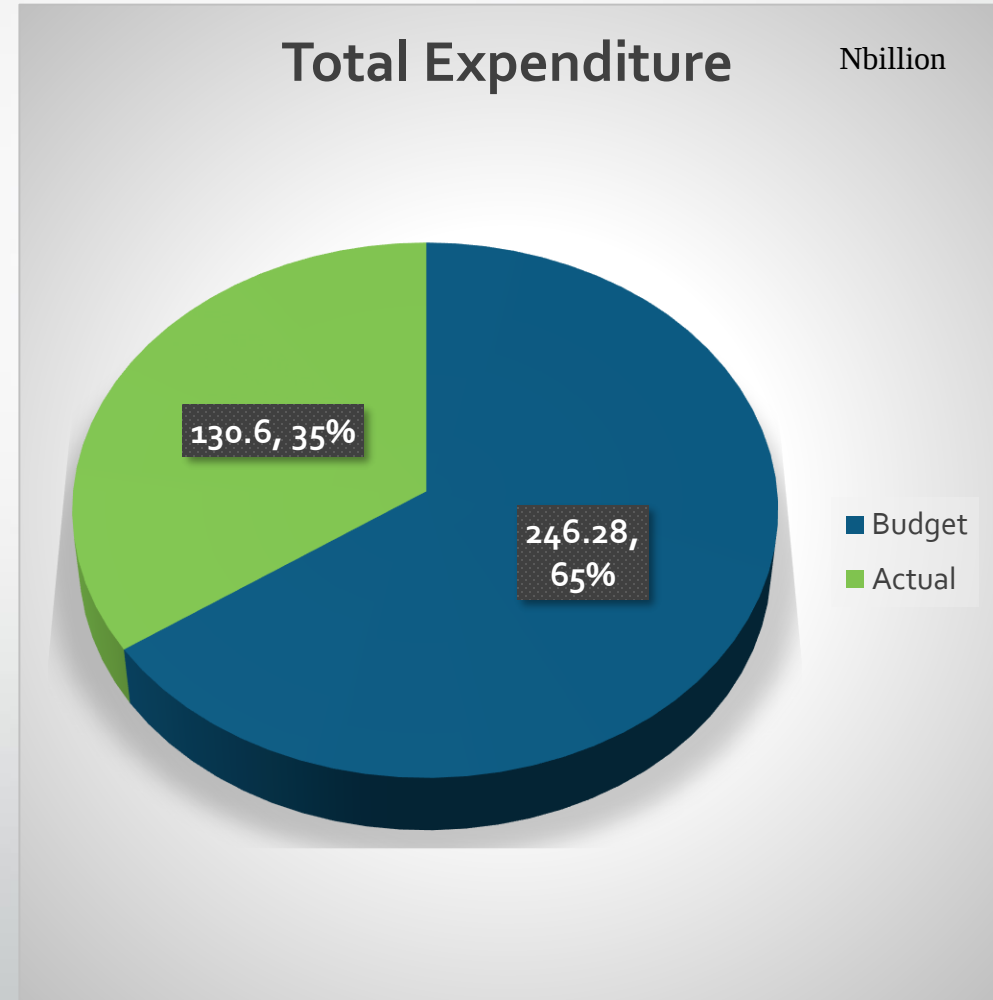
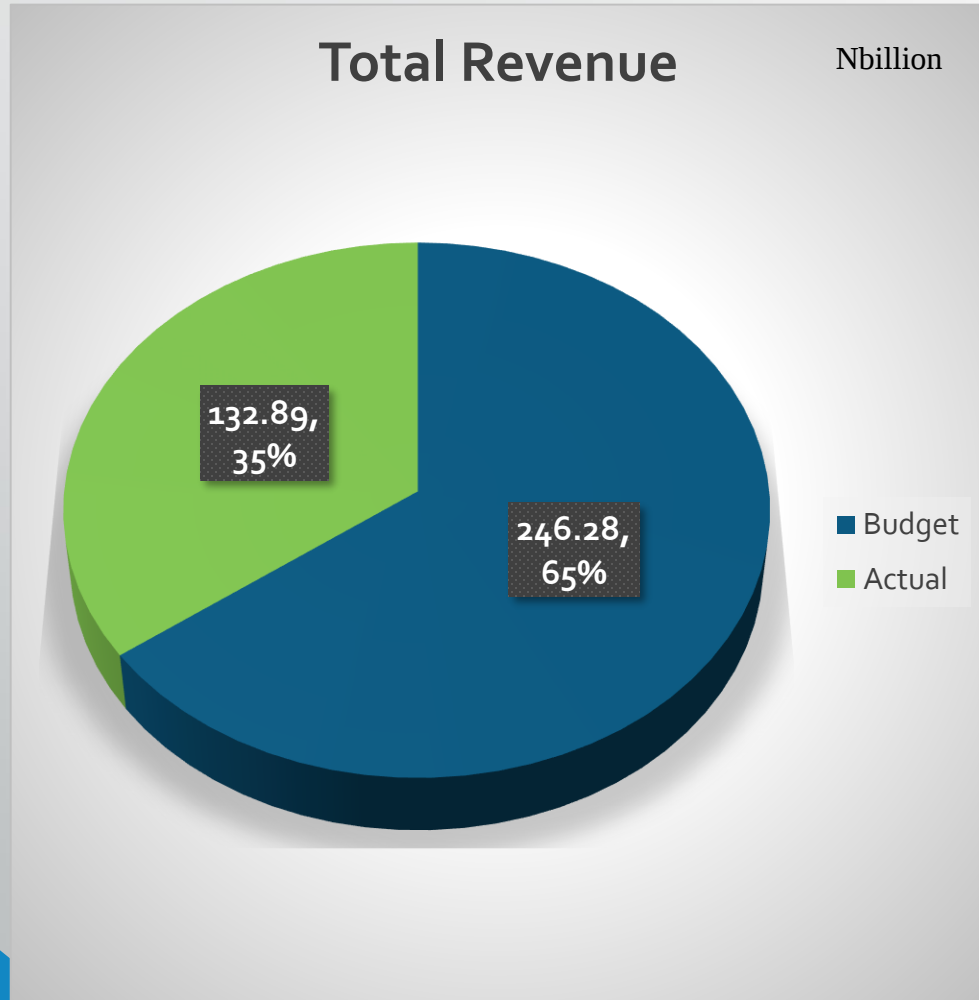
Recap of 2017 Budget Performance

Expenditure Analysis



Recap of 2017 Budget Performance

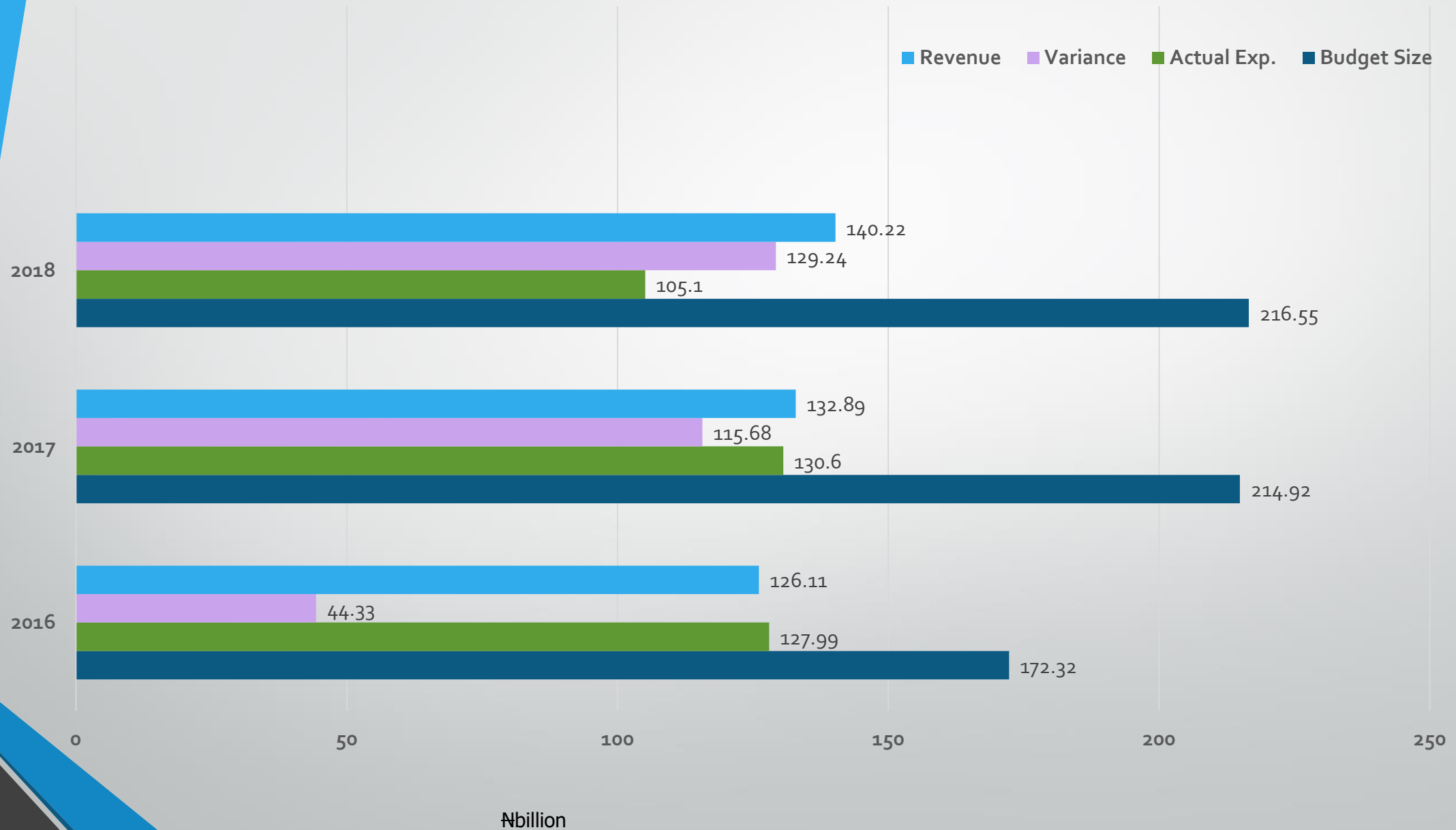
Revenue & Expenditure Analysis



BUDGET SUMMARY FOR 2016, 2017 AND 2018

LINE ITEM	2016 APPROVED	2017 APPROVED	2018 APPROVED
Opening Balance	38,851,356,689	15,300,000,000	10,000,000,000
Statutory Allocations	33,795,300,000	34,919,424,430	34,810,814,484.75
VAT	12,626,460,737	9,469,838,053	13,294,559,592
IGR	45,823,866,438	50,228,877,278	42,820,096,876
Internal Loans	18,250,000,000	6,650,315,000	820,420,000
External Loans	6,016,577,789	55,908,309,847	89,094,959,566
Internal Grants	13,779,798,471	35,308,883,903	9,563,299,058
External Grants	2,079,288,767	7,135,461,666	4,538,558,050
Others/Sale of Govt Houses	1,100,000,000		11,607,466,286
Total	172,322,648,891	214,921,110,177	216,550,173,913
Personnel Costs	31,836,241,841	39,791,025,264	40,898,859,822
Overhead Costs	32,213,730,401	43,674,267,531	44,542,138,230
Capital Expenditure	108,272,676,650	131,455,817,381	131,109,175,861
Total	172,322,648,891	214,921,110,177	216,550,173,913

Three(3) Years Budget, Expenditure & Revenue Trend



2018 Budget Pillars and Fundamental Metrics

- The 2018-2020 Multi-Year Budget is hinged on the 2016 Zero-Based Budget principles and is tailored towards the actualization of our State Development Plan 2016-2020.
- The revenue estimates are based on \$42 benchmark for crude oil prices and expectations of vastly improved performance in Internally Generated Revenue (IGR)
- The 2018 Budget focuses on consolidating year 2016 and 2017 projects, expanding investment in productive infrastructure, continuing to repress overheads as well as providing for a rise in personnel costs due to the establishment of new agencies and recruitment of staff.
- The 2018 Budget recognises a high expectation of Capital Receipts to bridged the envisaged funding gap i.e Internal and External Loans and Grants.

Kaduna State 2018 Budget termed “Budget of Consolidation” was signed into law on December 12, 2017.

2018 Budget is based on MTEF which assumes a \$42 benchmark price for oil at production levels of 1.8mbpd, 17.5% inflation, 1.9% projected real GDP growth and an exchange rate of ₦305/\$

The 2018 Budget is based on Capital to Recurrent Expenditure ratio of 60%:40%

2018 Budget Key Implementation Strategies

- Weekly meeting of the Liquidity Management Committee is ongoing with His Excellency, the Governor as Chairman. The meeting reviews the State's liquidity position and prioritizes payments base on exigency.
- The Ministry of Finance has continued with the "Queueing System" of payments which was adopted in Q1 of 2017. This system ensures that Releases are cash-backed on a "first come basis"
- In time of liquidity crisis, payments are prioritized in line with the Kaduna State Development Plan 2016-2020 and the below Budget Adjustment Mechanism:

	Scenario 1	Scenario 2	Scenario 3
Oil Prices	Above \$39.00 (avg/mth)	Btw \$35-\$39(avg/mth)	Below \$35(avg/mth)
FAAC	Above N3bn	Btw 2.5-3.1bn	Below 2.5bn
IGR	Above N3bn/mth	Btw 1.5-2.5bn/mth	Below 1bn/mth
Spending Pattern	Full Budget Implementation	80% Capital; 60% Overheads	60% Capital, 40% Overheads

Weekly meeting of Liquidity Management Committee Chaired by His Excenllency, the Governor

Cash-backing of Releases base on a "Queueing System"

During liquidity crisis payments are prioritized in line with the KSDP and Budget Adjustment Mechanism

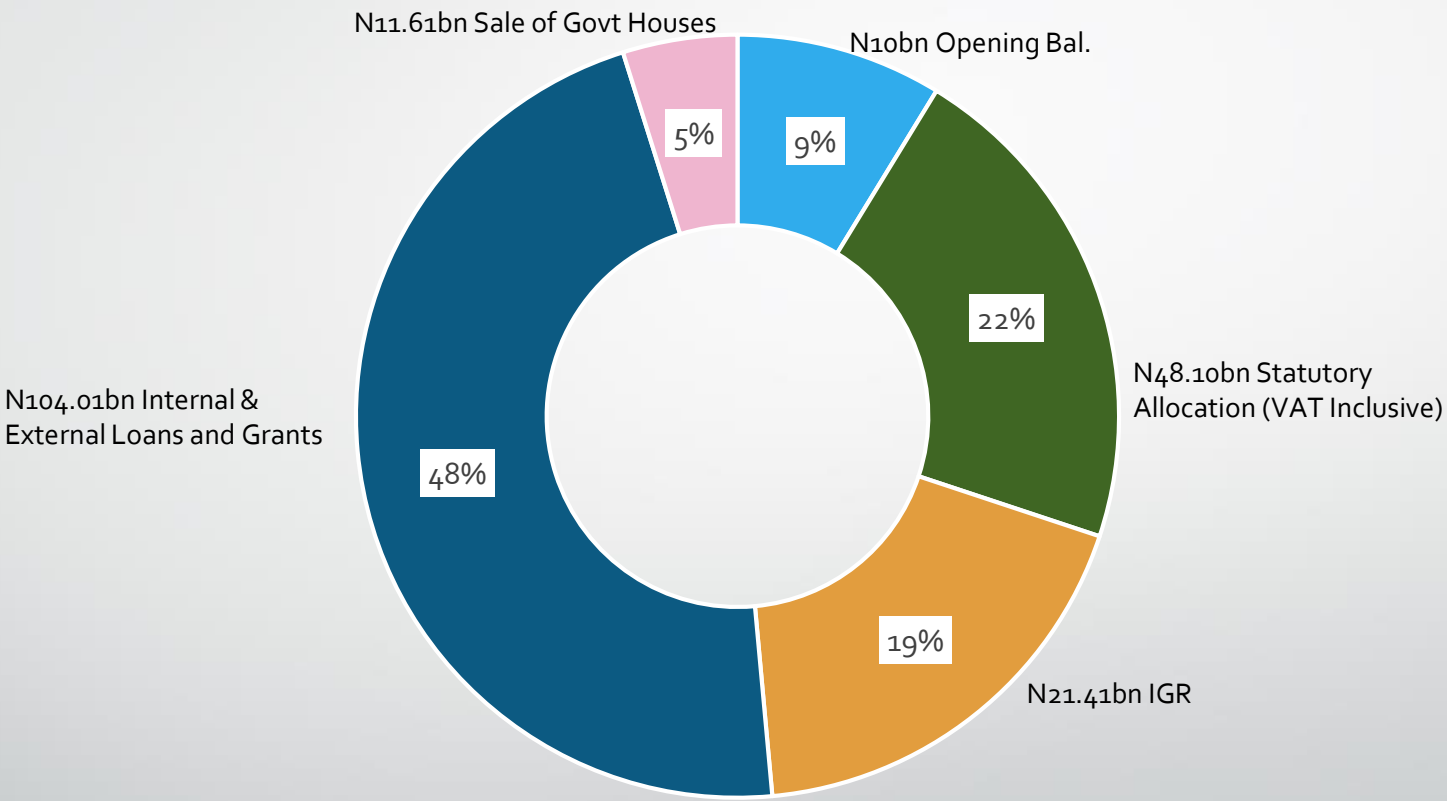


2018 Revenue Performance

2018 Budget

2018 Revenue Target

Total ₦216.55

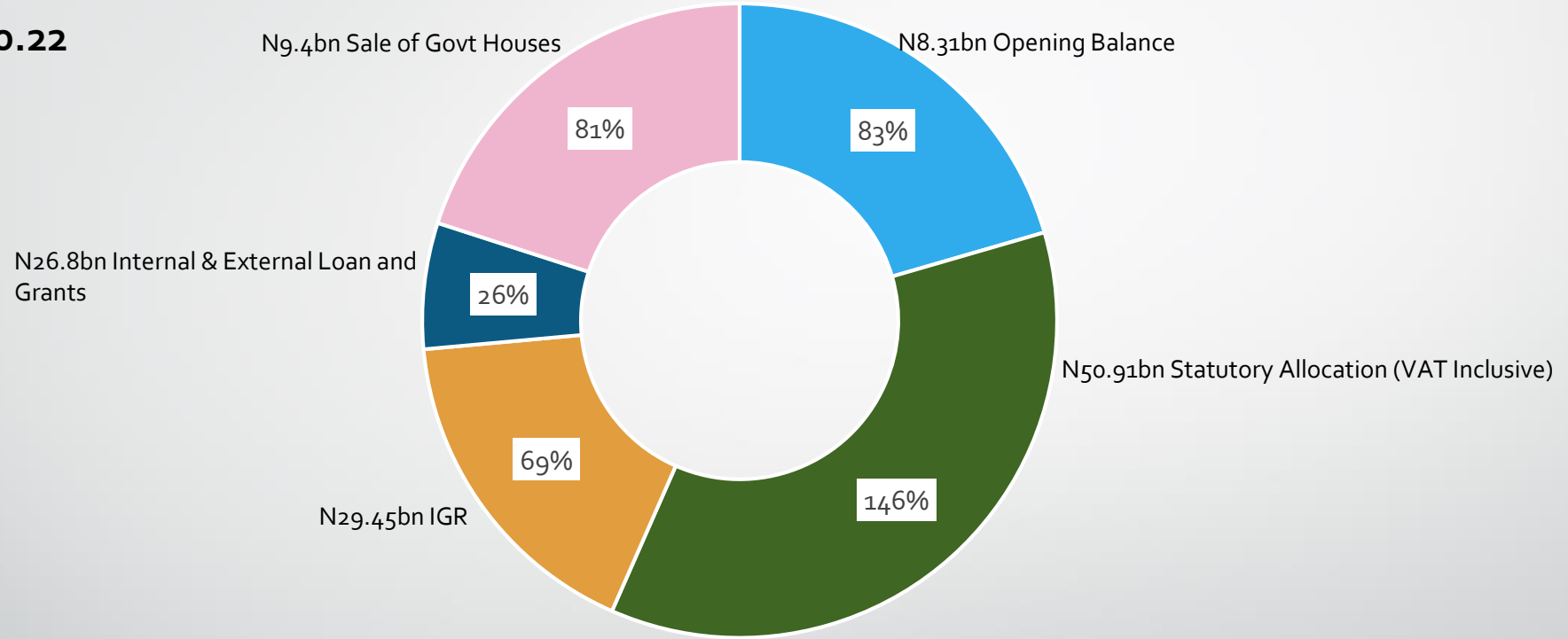


Opening Balance Statutory Allocations (VAT Inclusive) IGR Internal & External Loans and Grants Sale of Govt Houses

2018 Actual

2018 Actual Revenue

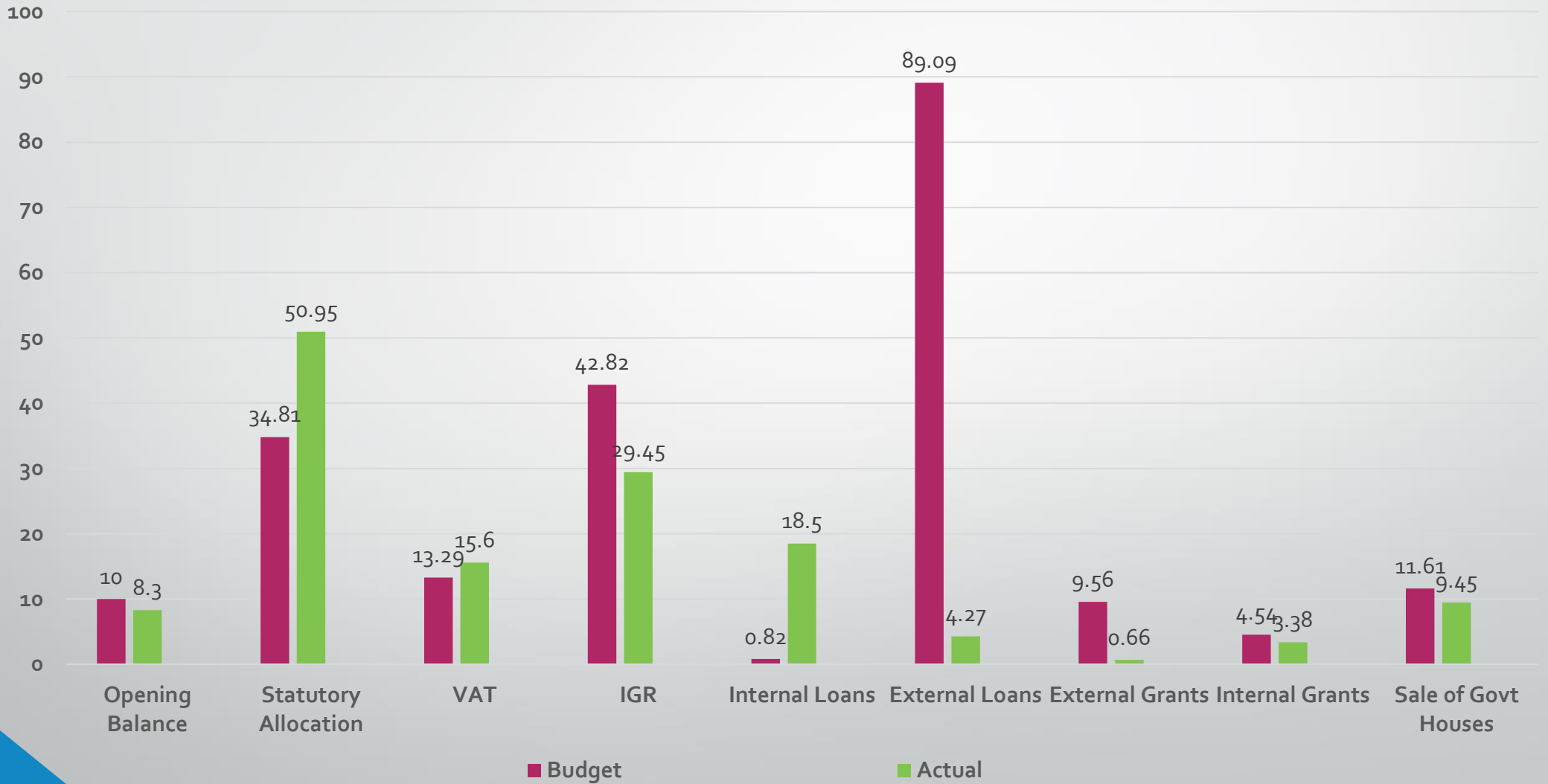
Total N140.22



Opening Balance Statutory Allocation (VAT Inclusive) IGR Internal & External Loans and Grants Sale of Govt Houses

2018 Budget

Annual Performance



2018 Budget

Revenue Performance

S/N	DETAIL	ANNUAL BUDGET	ANNUAL ACTUAL	VARIANCE	ANNUAL PERFORMANCE
1	Opening Balance	10,000,000,000	8,309,115,000.00	(1,690,885,000.00)	83.09115
2	Statutory Allocation	34,810,814,485	50,949,677,766.43	16,098,027,214.88	146.24%
3	VAT	13,294,559,592	15,610,827,277.49	2,056,537,925.13	115.47%
4	I.G.R	42,820,096,876	29,446,386,924.74	(13,373,709,951.26)	68.77%
5	Internal Loans	820,420,000	18,500,000,000.00	17,679,580,000.00	2254.9%
6	External Loans	89,094,959,566	4,265,497,770.60	(84,829,461,795.40)	4.79%
7	External Grants	9,563,299,058	659,590,710.80	(8,903,708,347.20)	6.90%
8	Internal Grants	4,538,558,050	3,375,135,607.27	(1,163,422,442.73)	74.37%
9	Sale of Govt Houses	11,607,466,286	9,872,326,951.91	(1,735,139,334.09)	85.05%
	Total	216,550,173,913	140,687,992,182.33	112,171,312,010.69	64.75%

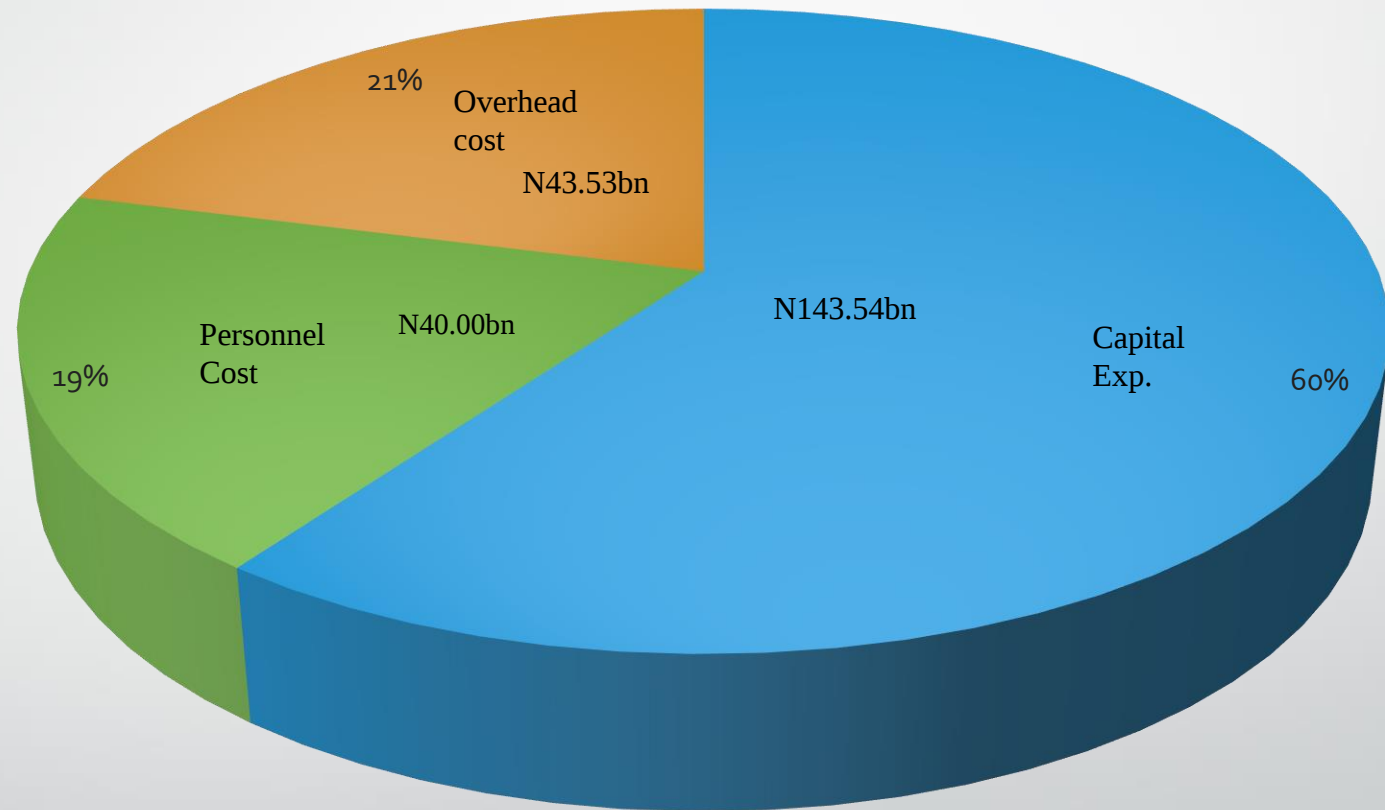


2018 EXPENDITURE PERFORMANCE

2018 Budget Expenditure (Target)

Recurrent Expenditure
N83.53bn

Expenditure (Target)

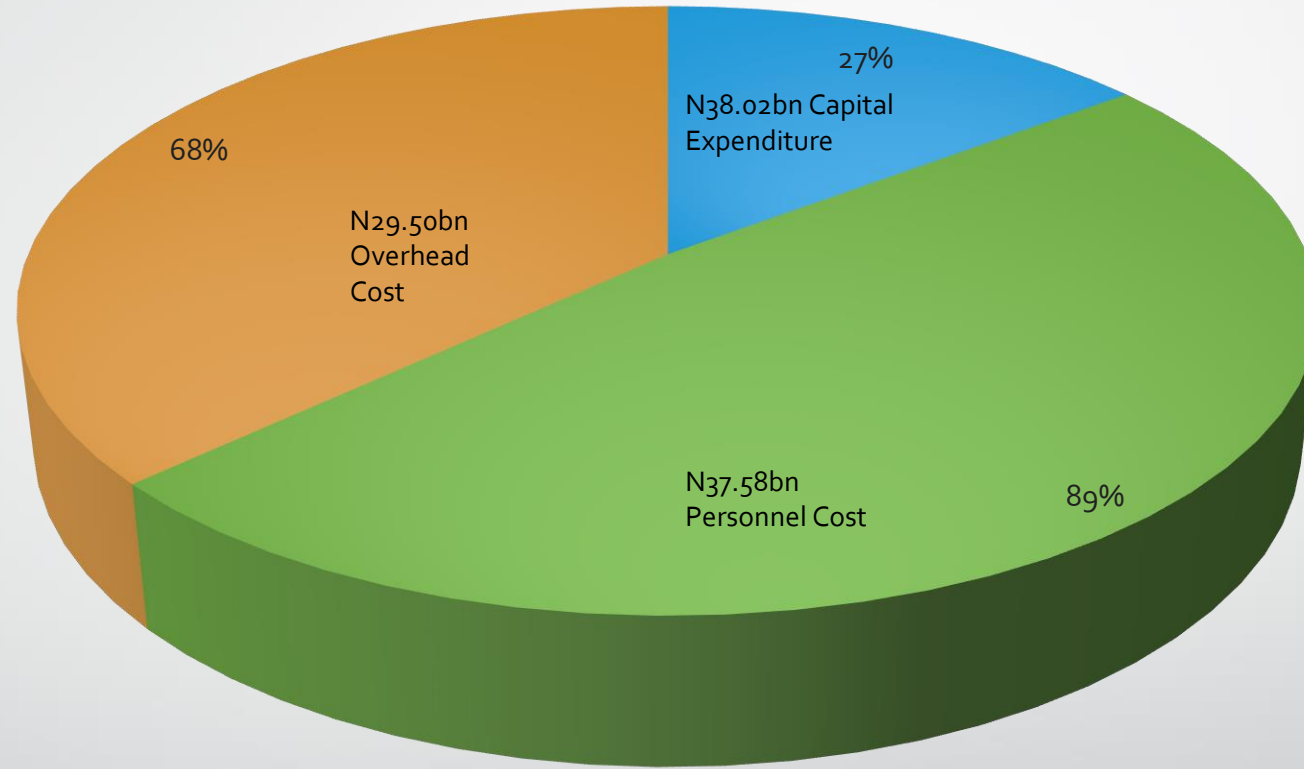


■ Capital Exp. ■ Personnel Costs ■ Overheads Cost

2018 Budget Expenditure (Actual)

Recurrent Expenditure
N67.52bn

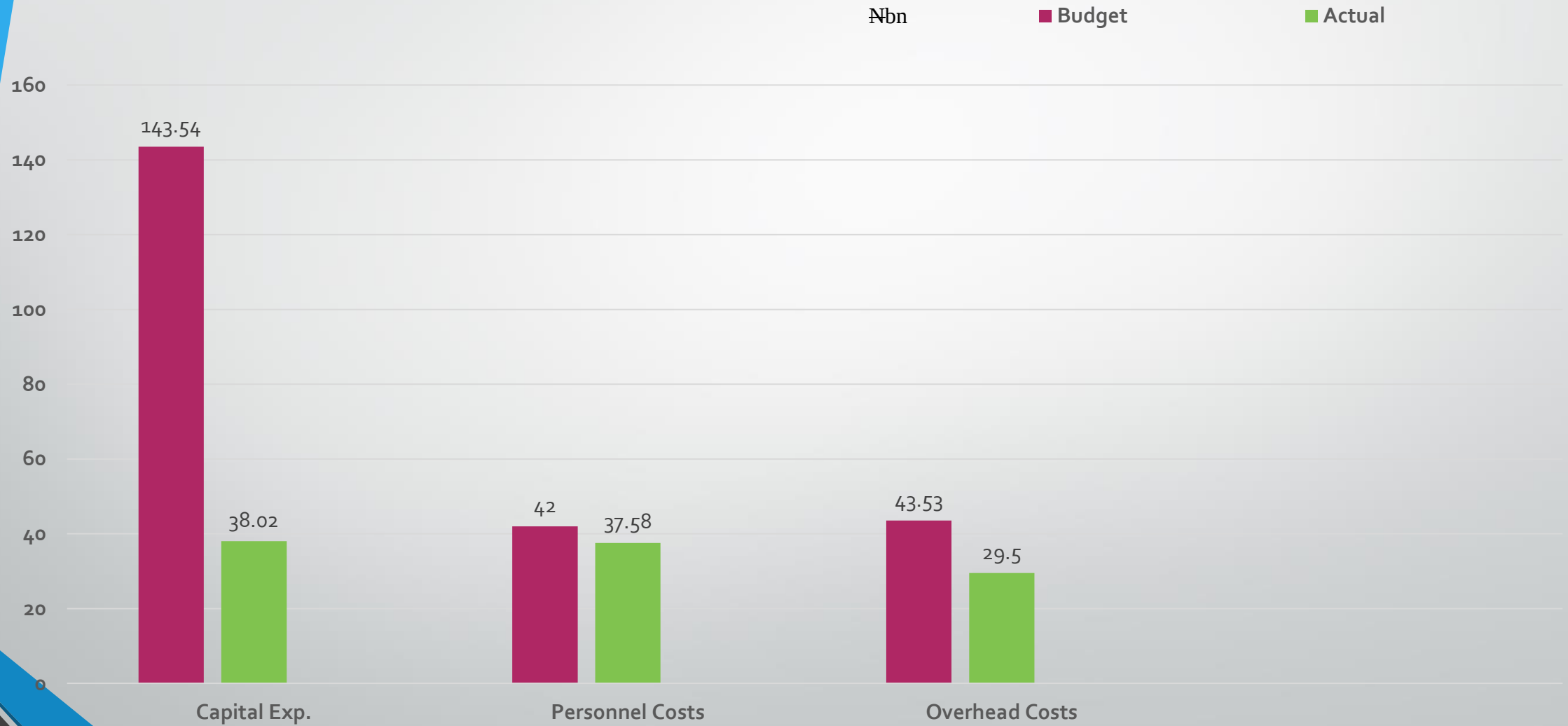
Actual Expenditure



■ Capital Exp. ■ Personnel Costs ■ Overheads Cost

2018 Budget

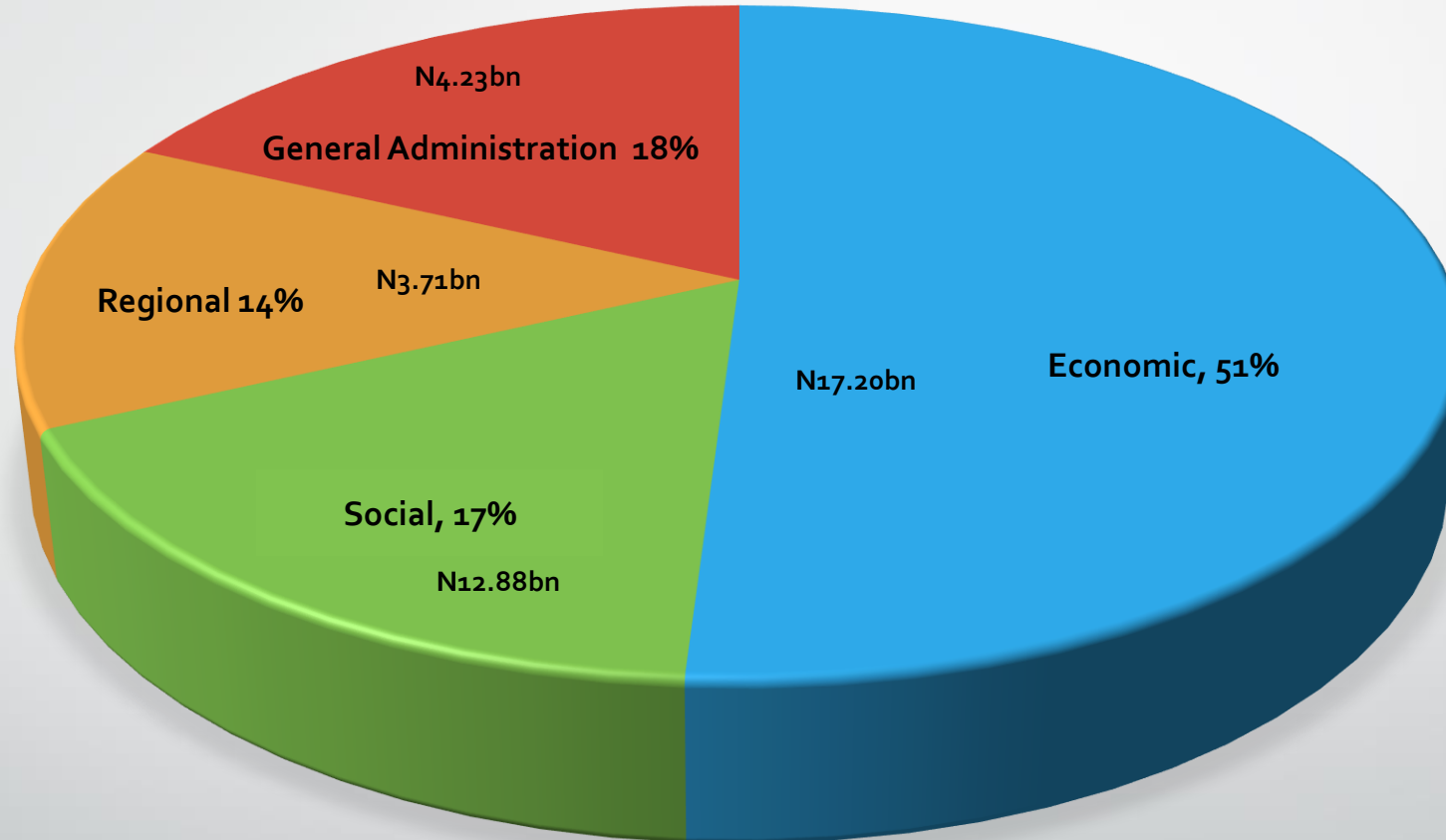
Target and Actual Expenditures



2018 Budget

Capital Expenditure Performance by Sector

Total ₦38.02bn



2018 Budget Expenditure Performance

S/N	DETAIL	ANNUAL BUDGET	ANNUAL ACTUAL	VARIANCE	ANNUAL PERFORMANCE
1	Personnel Costs	42,000,184,112.65	37,584,772,227.04	4,415,411,885.61	89%
2	Total Overhead Costs	43,532,858,032.06	29,501,432,646.18	14,031,425,385.88	68%
3	Capital Expenditure	143,544,151,260.51	38,015,997,978.91	105,528,153,281.60	27%
	TOTAL	229,077,193,405.22	105,102,202,852.13	123,974,990,553.09	46%

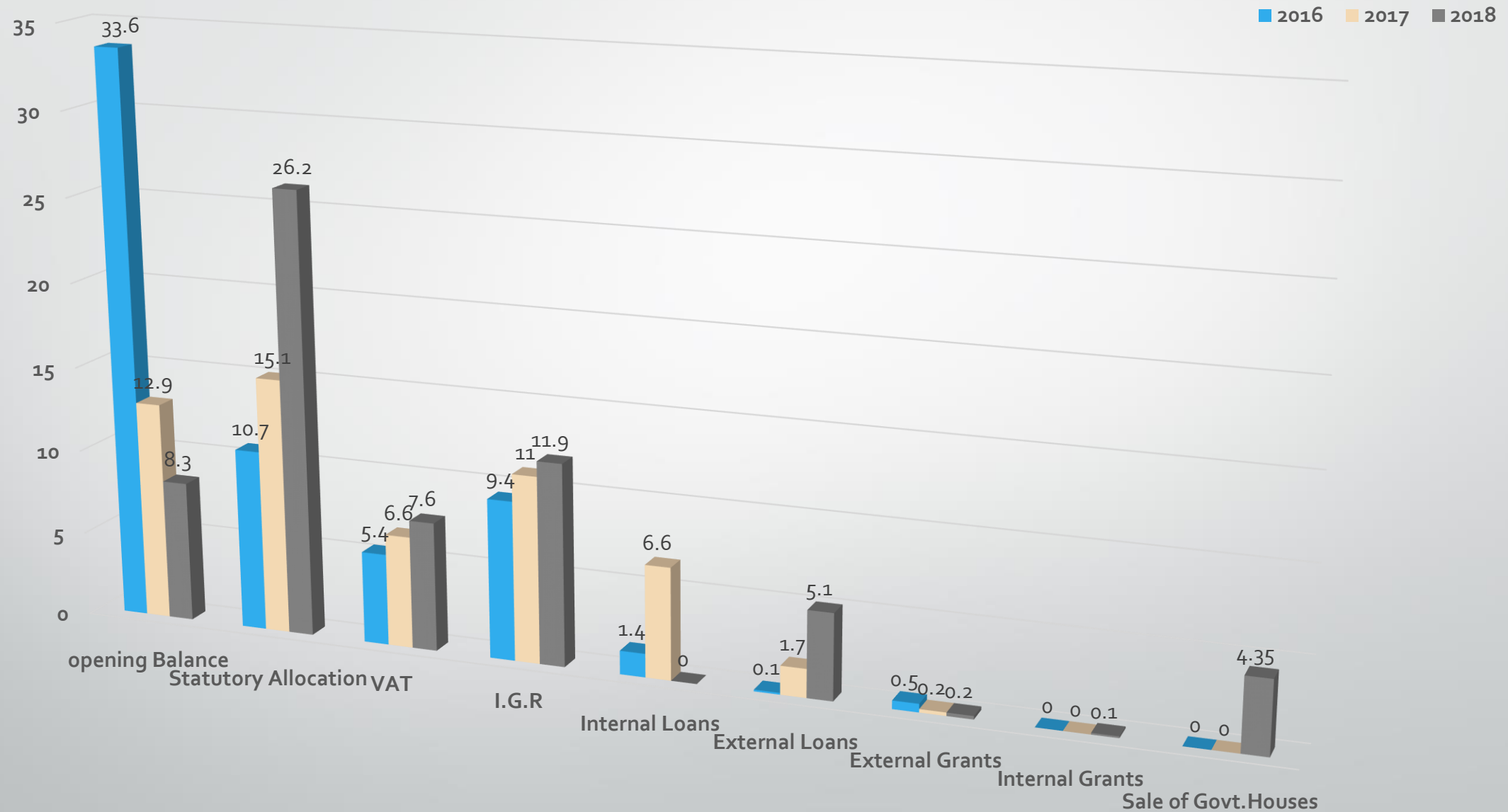
NOTE: Overhead Costs Comprises all MDAs O/Heads, Monthly Standing Orders, Recurrent Releases and Pensions



YEAR ON YEAR PERFORMANCE REVIEW

Year on Year Budget Performance

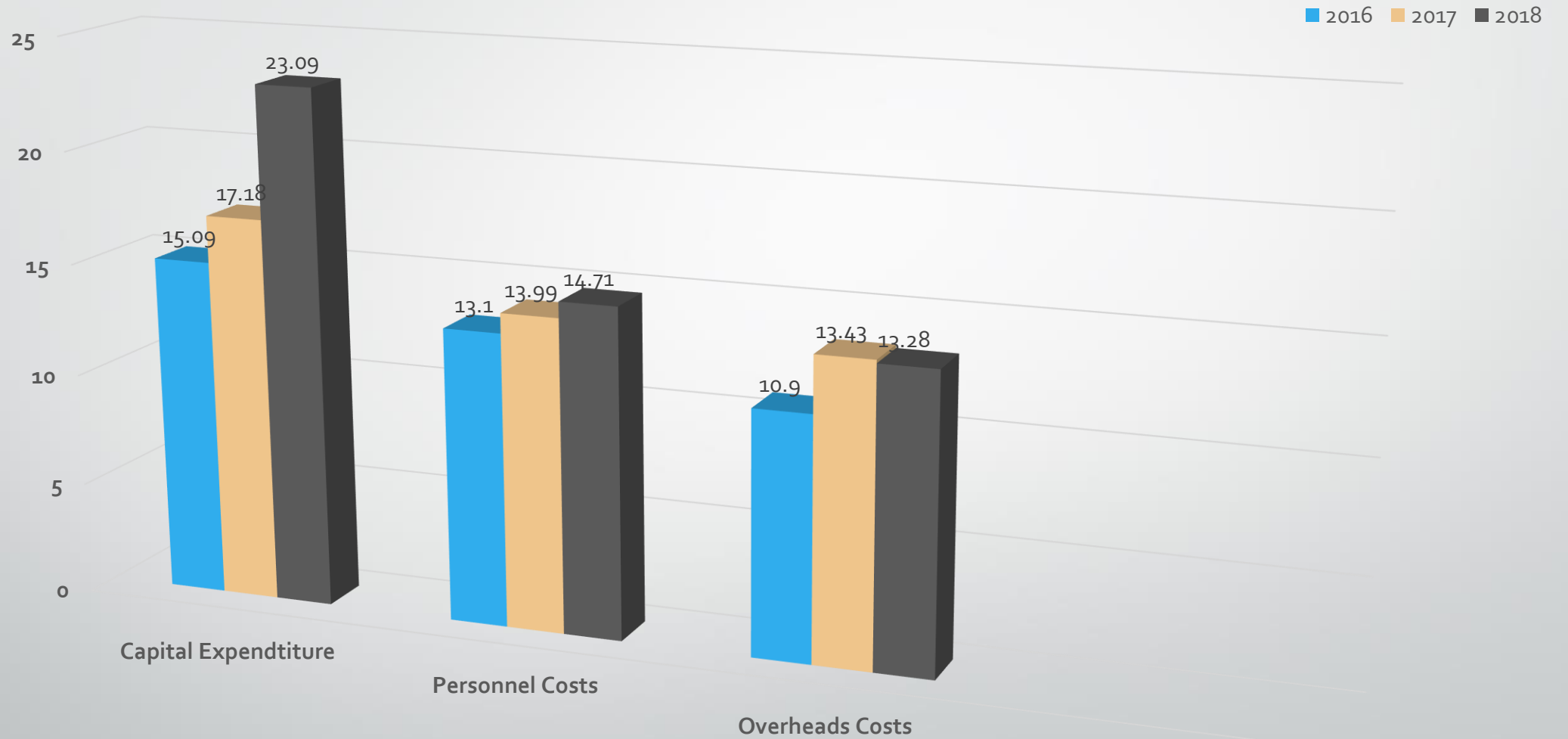
2016,2017 and 2018 Revenue



N billion

Year on Year Budget Performance

2016,2017 & 2018 Expenditure



£billion

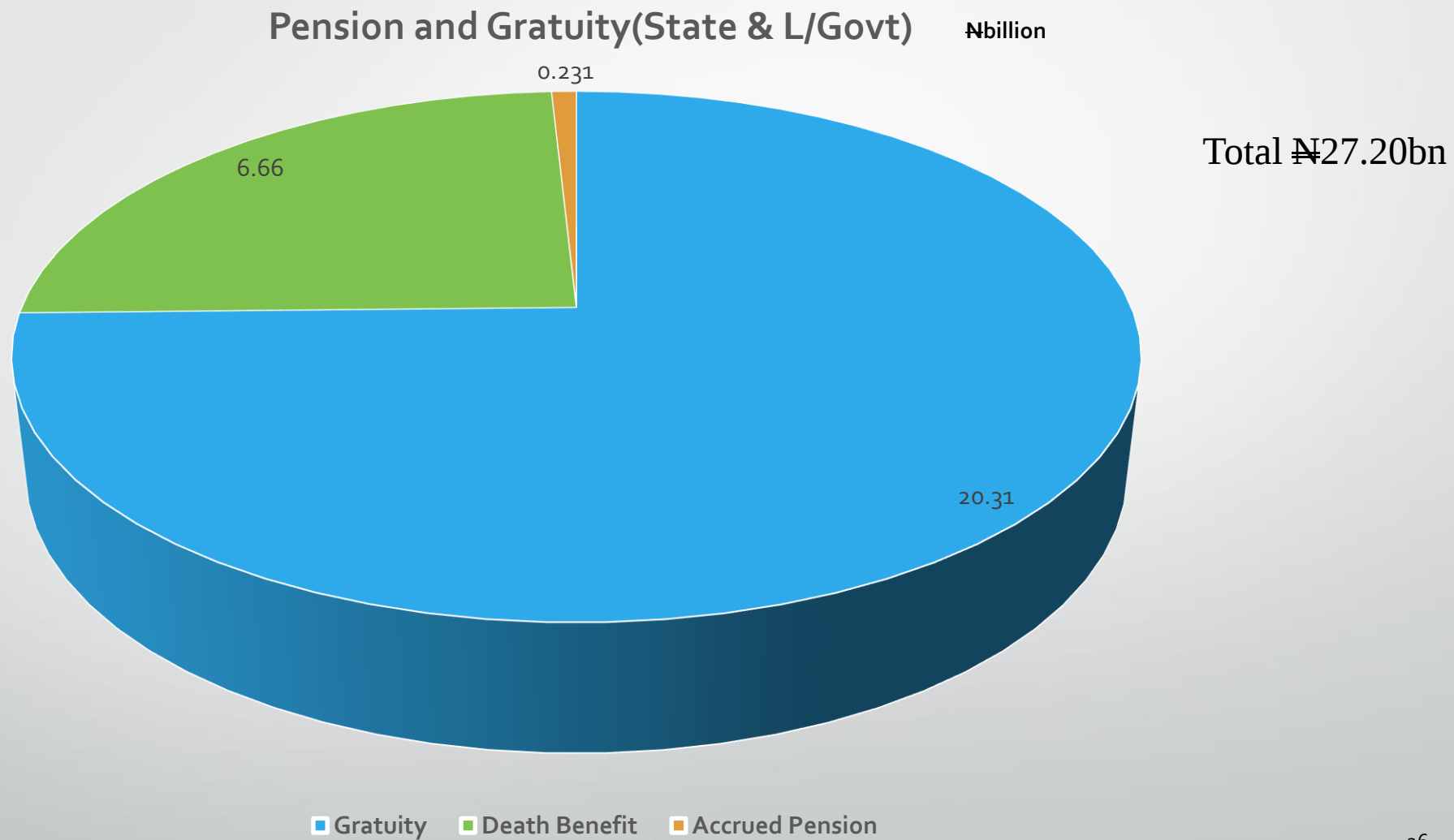


Pension Remittances and State Debt Portfolio

PENSION REMITTANCES- JANUARY TO DECEMBER 2018.

S/NO	NARRATION	STATE (₦)	LOCAL GOVERNMENT (₦)	GRAND TOTAL (₦)
1	Gratuity	9,028,552,946.87	11,278,313,881.56	20,306,866,828.43
2	Death Benefit	2,791,657,394.22	3,866,577,514.92	6,658,234,909.14
3	Accrued Pension		230,697,891.12	230,697,891.12
Sub-Total		11,820,210,341.09	15,375,589,287.60	27,195,799,628.69
Less Payment Balances Batch 1-5 (State & Local Government)				6,000,000,000.00
Balance				21,195,799,628.69

PENSION & GRATUITY REMITTANCES.

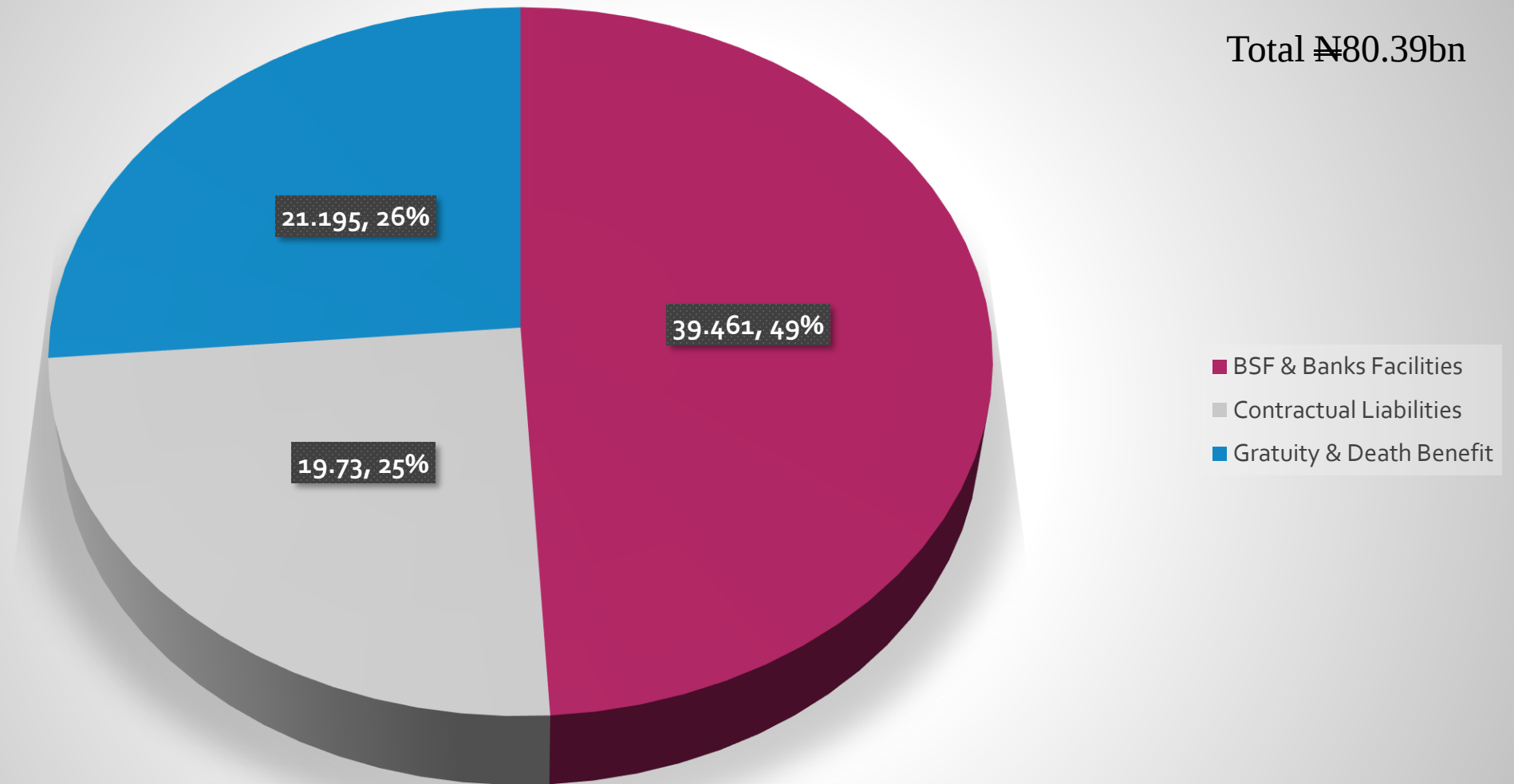


State Debt Portfolio

DOMESTIC DEBT STOCK AS AT 31 ST DECEMBER, 2018							
			DEBT SERVICE				DISBURSED OUTSTANDING DEBT/BALANCE (₦)
S/NO.	SOURCE	ORIGINAL LOAN AMOUNT (₦)			2018		
			CUMMULATIVE LOAN REPAYMENT (PRINCIPAL) (₦)	CUMMULATIVE LOAN REPAYMENT (INTEREST) (₦)	PRINCIPAL (JAN - DEC. 2018) (₦)	INTEREST (JAN -DEC 2018) (₦)	
01	Zenith Bank Plc	1,000,000,000.00	548,237,785.09	277,381,541.13	329,118,054.05	51,937,019.59	122,644,160.86
02	Access Bank Plc	10,000,000,000.00	500,413,273.69	1,757,974,912.61	252,900,684.86	750,827,397.94	9,246,686,041.45
03	Zenith Bank Plc	14,300,000,000.00	715,590,981.47	2,513,904,125.02	361,647,979.39	1,073,683,179.05	13,222,761,039.14
04	FGN Budget Support Facility (BSF)	16,869,000,000.00	-	-	-	-	16,869,000,000.00
	Sub-Total	42,169,000,000.00	1,764,242,040.24	4,549,260,578.77	1,943,666,718.30	1,975,762,666.07	39,461,091,241.46
06	Contractual Liabilities						19,730,964,067.77
07	Gratuity & Death Benefits						21,195,799,628.68
	GRAND TOTAL						80,387,854,937.91

Total Liabilities

Total ₦80.39bn



State Debt Portfolio

Summary of Outstanding Foreign Loan Stock as at 31st December, 2018

A	B	C	D = (B+C)	E	F = (D-E)
Currency	Debt Stock as at 1st January, 2018	Add: Drawdown (Jan- December, 2018)	Total (Debt Stock + Drawdown)	Less: Debt Service (Jan- December, 2018)	Provisional Debt Stock as at 31 st December, 2018
Dollar (\$)	238,279,089.98	802,252.66	239,081,342.64	7,830,705.80	231,250,636.84
Naira (₦)	72,675,122,443.90	244,687,061.30	72,919,809,505.20	2,388,365,269.00	70,531,444,236.20

✓ CBN Exchange Rate: ₦305/ \$1



Thank you