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REPORT

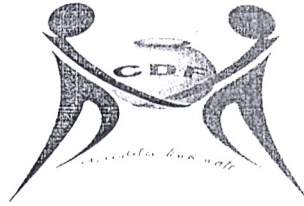
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND -
SAKU CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**



CONSTITUENCIES DEVELOPMENT FUND – SAKU CONSTITUENCY

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2015

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

1408

CONSTITUENCIES DEVELOPMENT FUND – SAKU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

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CONSTITUENCIES DEVELOPMENT FUND - SAKU CONSTITUENCY
Reports and Financial Statements
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

1. The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The Constituencies Development fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic directions of the Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the National annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The Saku Constituency's day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (CDFB)
- ii. Constituency Development Fund Committee (CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Japhet Ngui
3.	District Accountant	David Odiyo

(d) Fiduciary Oversight Arrangements:-

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Saku Constituency. The reports and recommendations of ARMC when adopted by the CDF Board are forwarded to the Constituency Development Fund Committee (CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) Saku CDF Headquarters

Saku CDF
P.O. Box 184-60500,
Marsabit Township, next to Public Works Offices
Marsabit, KENYA.

(f) Saku CDF Contacts

E-mail: sakucdf@cdf.go.ke
Website: www.cdf.go.ke

CONSTITUENCIES DEVELOPMENT FUND – SAKU CONSTITUENCY

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(g) Saku CDF Bankers
Kenya Commercial Bank
Marsabit Branch,
A/C No. 1102647977

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

CONSTITUENCIES DEVELOPMENT FUND – SAKU CONSTITUENCY

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II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

Saku CDFC has made tremendous achievements since its inception towards poverty eradication in the constituency and more so since I was elected its chairperson in 2103.

During the financial year, the Saku CDF had been allocated Sh. 95,195,754. Saku which is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority is given to the education sector projects which was allocated a budget of over sh. 61 million translating to over 70% of the total annual budget. Water and health sectors being devolved units were allocated 7% and 4% respectively.

The huge education budget targeting infrastructural development in schools has/will lead to increased student enrolment in schools hence reducing illiteracy levels..

With the high poverty levels in the constituency, Education bursary and the many classrooms over 120 classes constructed by CDF has greatly enabled very many students to access education.

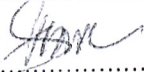
CDF is also facilitating construction of the first technical institution in the constituency which will go a long way in developing middle level skills in youth.

One of the key challenges is poor infrastructural facilities in most educational institutions as majority were constructed many years back. In addition, due to the low literacy levels, most PMCs face big challenges in projects implementation. However in collaboration with NGOs, the CDFC is constantly capacity building them in order to improve on quality of projects implementation.

The future of CDF still being uncertain is making the public anxious.

I wish to urge the CDF Board/NASC to continually increase the CDF allocations to enable more projects uptake.

Yours in service,



.....
Mr. Denge Wario

CDFC Chairman

III. STATEMENT OF CONSTITUENCY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government agency shall prepare financial statements in respect of that agency. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

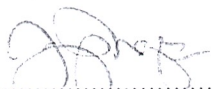
The Accounting officer in charge of the Saku Constituency Development Fund is responsible for the preparation and presentation of the Saku CDF financial statements, which give a true and fair view of the state of affairs of the Saku CDF for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the CDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting officer in charge of the Saku CDF accepts responsibility for the CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting officer is of the opinion that the Saku CDF's financial statements give a true and fair view of the state of the CDF's transactions during the financial year ended June 30, 2015, and of the CDF's financial position as at that date. The Accounting officer in charge of the Saku CDF further confirms the completeness of the accounting records maintained for the CDF, which have been relied upon in the preparation of the CDF's financial statements as well as the adequacy of the systems of internal financial control.

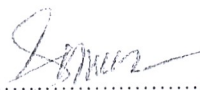
The Accounting officer in charge of the Saku CDF confirms that the CDF has complied fully with applicable Government Regulations and that the terms of external financing covenants (where applicable), and that the CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting officer confirms that the CDF's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Saku CDF's Financial Statements were approved and signed by the Accounting officer on -
30/6 2015.



.....
Japhet Ngui
Fund Account Manager



.....
Denge Wario
Chairman - CDFC

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND-SAKU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Constituencies Development Fund - Saku Constituency set out on pages 6 to 22, which comprise the statement of assets and liabilities as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

Report of the Auditor-General on Constituencies Development Fund – Saku Constituency for the year ended 30 June 2015

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Accuracy and Presentation of the Financial Statements

- i. Variances totaling Kshs.630,411.85 were noted between the financial statements balances and the supporting schedules balances as presented below:

Item	Balance as per Financial Statement (Kshs.)	Balance as per supporting schedules (Kshs.)	Variance Kshs.
Prior year- Retention funds	703,297.00	0.00	(703,297.00)
Bank Charges	0.00	72,885.15	72,885.15
Total	703,297.00	72,885.15	(630,411.85)

Further, the comparative balance of Kshs.39,560,318 in respect to total financial assets differ with the audited 2013/2014 financial statements balance of Kshs. 39,844,318 by an unexplained variance of Kshs. 284,000. The balance cash flow statement for the financial year ended 30 June 2014 reflected Kshs. 39,844,318 as the cash and cash equivalent balance at the end of the year. However, the cash flow statement for the year under review reflect a cash and cash equivalents balance of Kshs. 39,560,318 at the beginning of the year resulting in an unreconciled and unexplained variance of Kshs. 284,000 from the previous year.

In the circumstance, the validity, accuracy and completeness of the balances reflected in the financial statements for the year ended 30 June 2015 cannot be ascertained.

- ii. The Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS) require that, a progress report on the follow up of previous year auditor's recommendations be included as part of the annexures in the financial statements. However, the financial statements for the year ended 30 June 2015 did not include a follow up report on the previous year's auditor recommendations. Therefore, the statements do not comply with in breach IPSAS

(Cash Basis) template prescribed by the Kenya Public Sector Accounting Standards Board.

2. Budgetary Control and Performance

During the year under review, Saku CDF approved a budget of Kshs.95,198,754.00. However, included in the actual expenditure of Kshs.80,080,440 was Kshs.39,844,318 representing funds balances brought forward from previous financial years while the total receipts from the CDF Board in the year under review amounted to Kshs.47,599,377 resulting in shortfall of funding from the CDF Board totalling to Kshs.47,599,377. Further, six (6) Projects which was allocated Kshs.46,693,754 in the budget had reported expenditure totalling to Kshs.49,872,605 resulting in over-expenditure of Kshs.3,178,851. No supplementary budget covering the over-expenditure or proof of authority for reallocation of funds was presented for audit verification. In addition, three (3) items with a total budget allocation of 6,650,000 had nil expenditure as at 30 June 2015 as shown in the table below:-

Sub Head	Budget Amounts (Kshs.)	Actual Amounts (Kshs.)	Budget Utilization Difference (Kshs.)	Absorption Rate
Administration/Recurrent/ M&E	8,566,564.00	8,807,288.00	(240,724.00)	103%
Emergency	5,400,259	6,312,832.30	(912,573.30)	117%
Bursary-Tertiary	8,700,000.00	8,972,000.00	(272,000.00)	103%
Primary School Projects	19,646,931.00	20,487,243.00	(840,312.00)	104%
Health Projects	4,380,000.00	5,017,105.00	(637,105.00)	115%
Security Projects		276,137.00	(276,137.00)	
Sub-Total	46,693,754	49,872,605	3,178,851	
Auditors Fees	500,000.00		500,000.00	0%
Mocks and Cats	1,000,000.00		1,000,000.00	0%
Tertiary- Projects	5,000,000.00		5,000,000.00	0%
Acquisition of assets	150,000.00		150,000.00	0%
Sub-Total	6,650,000.00		6,650,000.00	
Sports activities	1,400,000.00	1,017,700.00	382,300.00	73%
Environmental Projects	1,250,000.00	704,000.00	546,000.00	56%
Bursary-Secondary	14,000,000.00	9,729,700.00	4,270,300.00	69%
Secondary School Projects	17,905,000.00	17,467,035.00	437,965.00	98%
Water Projects	7,300,000.00	1,289,400.00	6,010,600.00	18%
Sub – Totals	41,855,000.00	30,207,835.00	11,647,165.00	
Totals	95,198,754.00	80,080,440.30	15,118,313.70	84%

The residents of Saku constituency did not therefore receive public services expected from the allocation of the Kshs.15,118,313.70 that was not disbursed by the CDF Board.

3. Project Implementation and Payments

A status report included among supporting schedules for the financial statements reflects balances totaling Kshs.93,143,621 allocated to projects in the constituency during the year under review.

However, analysis of the report reveals that seventeen (17) projects allocated Kshs.23,846,931 had not commenced as at 30 June 2015 although funds amounting to Kshs. 30,000 were disbursed to the project management committee (PMC) during the financial year. Further, as at 30 June 2015 eight (8) projects worth Kshs. 26,136,380 were on going and projects worth Kshs. 43,160,610 were complete as shown in the table below:

Sector	Project Status	Amount Allocated (Kshs.)	Amount Disbursed (Kshs.)	No. of projects
Education	Completed	39,325,000.00	39,321,340.00	35
	Ongoing	14,115,000.00	5,880,000.00	4
	Not started	21,576,931.00	30,000.00	10
	Sub Total	75,016,931.00	45,231,340.00	49
Health	Completed	2,391,379.00	2,388,236.00	2
	Ongoing	6,921,380.00	-	3
	Not started	200,000.00	-	1
	Sub Total	9,512,759.00	2,388,236.00	6
Water	Completed	0.00	0.00	0
	Ongoing	5,100,000.00	230,000.00	1
	Not started	2,070,000.00	0.00	6
	Sub Total	7,170,000.00	230,000.00	7
Other	Completed	1,443,931.00	506,137.00	8
	Ongoing	0.00	0.00	0
	Not started	0.00	0.00	0
	Sub Total	1,443,931.00	506,137.00	8
	Grand Total	93,143,621.00	48,355,713.00	70

In view of the foregoing, the CDF did not implement seventeen (17) projects included in the budget for the year under review. As a result the residents of Saku constituency did not enjoy many important public services promised to them by the CDF.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Constituencies Development Fund - Saku Constituency as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Constituencies Development Fund Act, 2013.



FCPA Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

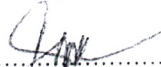
22 November 2016

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V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from other Government entities -CDF board-AIEs' Received	1	47,599,377	115,829,323
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		47,599,377	115,829,323
PAYMENTS			
Compensation of employees	4	1,619,070	1,504,434
Use of goods and services	5	4,968,218	2,577,971
Committee Expenses	6	2,204,000	2,244,250
Transfers to Other Government Units	7	42,971,383	46,820,545
Other grants and transfers	8	28,301,769	22,833,005
Social Security Benefits	9	16,000	4,800
Acquisition of Assets	10	-	-
Other Payments	11	-	-
Prior Year adjustments-Retention money	14	(703,297)	-
TOTAL PAYMENTS		79,377,143	75,985,005
SURPLUS/DEFICIT		(31,777,766)	39,844,318

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Saku CDF financial statements were Approved on 30/6 2015 and signed by:-



Chairman - CDFC



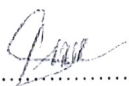
Fund Account Manager

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VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2014-2015	2013-2014
		Kshs	Kshs
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	7,782,552	39,560,318
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	-
TOTAL FINANCIAL ASSETS		7,782,552	39,560,318
REPRESENTED BY			
Fund balance b/fwd 1st July 2014.	13	39,560,318	2,401,764
Surplus/Deficit for the year		(31,777,766)	37,442,554
Prior year adjustments	14	-	(284,000)
NET LIABILITIES		7,782,552	39,560,318

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The Saku CDF Financial Statements were Approved on _____ 2015 and Signed by:



 Denge Wario
Chairman - CDFC



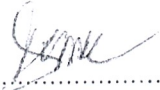
 Japhet Ngui
Fund Account Manager

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VII. STATEMENT OF CASHFLOW

Receipts for operating income	Note	2014 - 2015	2013 - 2014
Transfers from CDF Board	1	47,599,377	113,427,559
Other Receipts	3	-	-
		47,599,377	113,427,559
Payments for operating expenses			
Compensation of Employees	4	1,619,070	1,504,434
Use of goods and services	5	4,968,218	2,577,971
Committee Expenses	6	2,204,000	2,244,250
Transfers to Other Government Units	7	42,971,383	46,820,545
Other grants and transfers	8	28,301,769	22,833,005
Social Security Benefits	9	16,000	4,800
Other Payments	11	-	-
Adjusted for:			
Adjustments during the year- Retention money	14	(703,297)	-
		79,377,143	75,985,005
Net cash flow from operating activities		(31,777,766)	37,442,554
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	0	0
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		(31,777,766)	37,442,554
Cash and cash equivalent at BEGINNING of the year	13	39,560,318	2,401,764
Cash and cash equivalent at END of the year	12A	7,782,552	39,844,318

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The Saku CDF Financial Statements were Approved on 30/6 2015 and Signed by:



 Denge Wario
Chairman - CDFC



 Japhet Ngui
Fund Account Manager

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VIII. SUMMARY STATEMENT OF APPROPRIATION

Revenue/Expense Item	Original Budget	Adjustments (includes reallocation and balances b/f from previous year)	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization on Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
Transfers from CDF Board	95,198,754	39,560,317	134,759,071	87,159,695	47,599,376	65
Proceeds from Sale of Assets	-	-	-	-	-	0
Other Receipts	-	-	-	-	-	0
Totals	95,198,754	39,560,317	134,759,071	87,159,695	47,599,376	65
PAYMENTS						
Compensation of Employees	1,984,000	821,410	2,805,410	1,619,070	1,186,340	58
Use of goods and services	1,996,564	1,850,758	3,847,322	4,968,218	(1,120,896)	129
Committee Expenses	3,700,000	987,000	4,687,000	2,204,000	2,483,000	47
Transfers to Other Government Units	47,061,931	34,869,028	81,930,959	42,971,383	38,959,576	52
Other grants and transfers	40,284,259	1,024,921	41,309,180	28,301,769	13,007,411	69


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Social Security Benefits	22,000	7,200	29,200	16,000	13,200	55
Acquisition of Assets	150,000	-	150,000	-	150,000	0
Other Payments	-	-	-	-	-	0
TOTALS	95,198,754	39,560,317	134,759,071	80,080,440	149,877,383	59

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The Saku CDF Financial Statements were Approved on 30/6 2015 and Signed by:


.....
Denge Wario
Chairman - CDFC


.....
Japhet Ngui
Fund Account Manager

IX. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the CDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the CDF.

2. Recognition of revenue and expenses

The CDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the CDF. In addition, the CDF recognises all expenses when the event occurs and the related cash has actually been paid out by the CDF.

3. In-kind contributions

In-kind contributions are donations that are made to the CDF in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

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institutions which were not surrendered or accounted for at the end of the financial year.

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the CDF at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The CDF budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the CFC's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

Where necessary comparative figures the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

CONSTITUENCIES DEVELOPMENT FUND – SAKU CONSTITUENCY

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2014 - 2015		2013 - 2014	
	AIE NO.S	Kshs	AIE NO.S	Kshs
CDF Board				
	A 796507 Ref. no. 2014/2015/317	23,799,689	A711896; Ref. no. 2012/2013/510	44,661,506
	A 796863 Ref. no. 2014/2015/659	14,279,813	A711973; Ref. no. 2013/2014/164	26,706,422
	A 797084 Ref. no. 2014/2015/824	9,519,875	A735905; Ref. no. 2010/2011/1030	2,000,000
			A735967; Ref. no. 2013/2014/508	20,029.817
			A750088; Ref. no. 2013/2014/617	20,029.814
TOTAL		47,599,377		113,427,559.00

2. PROCEEDS FROM SALE OF ASSETS

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Receipts from the Sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Receipts from the Sale of office and general equipment	0	0
Total	0	0

3. OTHER RECEIPTS

Description	2014 - 2015	2013- 2014
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere (specify)	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

4 COMPENSATION OF EMPLOYEES		
Description	2014 - 2015	2013-2014
	Kshs	Kshs
Basic wages of contractual employees	1,619,070	1,504,434
Basic wages of casual labour	0	0
Personal allowances paid as part of salary	0	0
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Other personnel payments	0	0
Gratuity	0	0
Total	1,619,070	1,504,434

5. USE OF GOODS AND SERVICES

Description	2014 – 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	25,960	15,668
Office rent	510,000	270,000
Communication, supplies and services	18,970	111,550
Domestic travel and subsistence	855,960	201,200
Printing, advertising and information supplies & services	0	115,430
Rentals of produced assets	0	0
Training expenses	0	0
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	126,500	272,199
Fuel ,oil & lubricants	1,619,198	764,596
Other operating expenses	486,100	68,430
Routine maintenance – vehicles and other transport equipment	1,152,430	725,198
Routine maintenance – other assets	173,100	33,700
Total	4,968,218	2,577,971

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. CDFC EXPENSES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other committee expenses	82,000	102,250
Committee allowance	2,122,000	2,142,000
TOTAL	2,204,000	2,244,250

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to Primary schools	20,487,243	15,966,193
Transfers to Secondary schools	17,467,035	26,131,199
Transfers to Tertiary institutions	-	-
Transfers to Health institutions	5,017,105	4,723,153
TOTAL	42,971,383	46,820,545

8. OTHER GRANTS AND OTHER PAYMENTS

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary -Secondary	9,729,700	9,782,950
Bursary -Tertiary	8,972,000	6,313,500
Bursary-Special schools	-	-
Mocks & CAT	-	-
Water	1,289,400	-
Agriculture (food security)	-	-
Electricity projects	-	-
Security	276,137	230,000
Roads	-	-
Sports	1,017,700	-
Environment	704,000	500,000
Emergency Projects (specify)	6,312,832	6,006,555
Total	28,301,769	22,833,005

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
Description	Kshs	Kshs
Employer contribution to NSSF	16,000	4,800
Total	16,000	4,800

10. ACQUISITION OF ASSETS

Non Financial Assets	2014- 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles	0	0
Purchase of Bicycles & Motorcycles	0	0
Overhaul of Vehicles	0	0
Purchase of Office furniture and fittings	0	0
Purchase of computers ,printers and other IT equipments	0	0
Purchase of photocopier	0	0
Purchase of other office equipments	0	0
Purchase of soft ware	0	0
Acquisition of Land	0	0
	0	0
Total	0	0

11. OTHER PAYMENTS

	2014- 2015	2013 - 2014
	Kshs	Kshs
None	0	0
TOTAL	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. A. BANK BALANCE (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2014 - 2015	2013 - 2014
		Kshs (30/6/2015)	Kshs (30/6/2014)
Kenya Commercial Bank, Marsabit Branch	1102647977	7,782,552	39,560,318
Total		7,782,552	39,560,318

12. B. CASH IN HAND

	2014 - 2015	2013 - 2014
	Kshs (30/6/2015)	Kshs (30/6/2014)
None	-	-
Total	-	-

12. C. OUTSTANDING IMPRESTS

Name of Officer	Date imprest taken	Amount Taken	Amount Surrendered	Balance (30/6/2015)	Balance (30/6/2014)
		Kshs	Kshs	Kshs	Kshs
None		0	0	0	284,000
Total		0	0	0	284,000

13. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs (1/7/2014)	Kshs (1/7/2013)
Bank accounts	39,560,318	2,401,764
Cash in hand	0	0
Imprest	0	284,000
Total	39,560,318	2,685,764

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	284,000
Retention Money	(703,297)	0
Total	(703,297)	284,000

15. OTHER IMPORTANT DISCLOSURES

15.1 PENDING ACCOUNTS PAYABLE (See Annex 1)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Construction of buildings	12,591,405	0
Construction of civil works	0	0
Supply of goods	1,174,200	0
Supply of services	328,000	0
Total	14,093,605	0

15.2 PENDING STAFF PAYABLE (See Annex 2)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Contractual employees	424,047	0
Total	424,047	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.3 OTHER PENDING PAYABLES (See Annex 3)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	0	0
Amounts due to other grants and other transfers (see attached list)	0	0
Others (<i>specify</i>)	0	0
Total		

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contract ed	Amount Paid To-Date	Outstanding Balance		Comments
				2,015	2014	
	a	b	c	d=a-c		
Construction of buildings						
1. Kiwanja Ndege pry school	55,000	25/5/15	-	55,000	0	Retention moiety
2. Saku High School	1,498,949	18/3/15	-	1,498,949	0	Construction of classroom
3. Mountain Jua Kali Shed	872,999	21.11.14	-	872,999	0	Construction of Jua Kali Shed
4. Badasa Pry School	60,000	27/5/15	-	60,000	0	Retention moiety
5. Goro Rukesa sec school	55,000	27/4/15	-	55,000	0	Retention moiety
6. Sagante dispensary	109,422	29/6/15	-	109,422	0	Retention moiety
7. Sakuu High School	122,648	29/6/15	-	122,648	0	Retention moiety

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9. Dirib Gombo Mixed Sec School	4,495,280	29/6/15	-	4,495,280	0	Construction of Dorm
10. Karare Mixed Sec School	3,998,810	30/6/15	-	3,998,810	0	Construction of administration block
11. Lagdima Pry School	1,295,070	4/6/2015		620,000	0	
12. Retentions	703,297			703,297	0	
Sub-Total				12,591,405	0	
Supply of goods					0	
13. Fund Manager	8,000	10.6.15	-	8,000	0	Cash purchase of fuel
14. Nasmi Enterprises	87,200	3/5/2015	-	87,200	0	Supply of Building materials
15. Abdul Khalif	72,000	26/6/15	-	72,000	0	Hire of Motor vehicle
16. Tullus Senior Investment	1,007,000	3/5/2015	-	1,007,000	0	
Sub-Total				1,174,200	0	
Supply of services					0	
10. CDFC Allowances	Un-paid CDFC allowances	124,000	-	124,000	0	
10. CDFC Allowances	Un-paid CDFC allowances	102,000	-	102,000	0	
10. CDFC Allowances	Un-paid CDFC allowances	102,000	-	102,000	0	
Sub-Total				328,000	0	
Grand Total				14,093,605	0	

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance		Comments
					2015	2014	
		a	b	c	d=a-c		
Contractual Employees							
1. Ibrahim Guyo	G	38,000	5/6/2015	0	38,000		Per- diems
2. Ibrahim Guyo	G	32,000	26/6/2015	0	32,000		Per- diems
Susan Lealo	G	20,283	30/6/2015	0	20,283		Staff salaries for June 2015
Ibrahim Guyo	G	20,283	30/6/2015	0	20,283		Staff salaries for June 2015
Bokayo W. Guyo	H	17,527	30/6/2015	0	17,527		Staff salaries for June 2015
Shade G. Gune	E	10,535	30/6/2015	0	10,535		Staff salaries for June 2015
Chole Galm Halkano	E	10,000	30/6/2015	0	10,000		Staff salaries for June 2015
4. CDFC Staff Gratuity			1/9/2013		274,419		
Sub-Total					423,047		

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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2014/15	2013/14
Land	0	0
Buildings and structures	0	0
Transport equipment	4,335,050	4,335,050
Office equipment, furniture and fittings	121,500	121,500
ICT Equipment, Software and Other ICT Assets	121,750	121,750
Other Machinery and Equipment	31,300	31,300
Heritage and cultural assets	0	0
Intangible assets	0	0
Total	4,609,600	4,609,600