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REPORT

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OF

THE AUDITOR-GENERAL

ON

**ELGEYO MARAKWET COUNTY
ASSEMBLY CAR AND MORTGAGE
REVOLVING FUND**

**FOR THE YEAR ENDED
30 JUNE, 2020**



**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR AND MORTGAGE REVOLVING FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**



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

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

TABLE OF CONTENTS	1
1. KEY ENTITY INFORMATION AND MANAGEMENT	2
2. LOAN MANAGEMENT COMMITTEE	4
3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES	5
4. MANAGEMENT TEAM	6
5. LOAN MANAGEMENT COMMITTEE CHAIRPERSON'S REPORT	7
6. REPORT OF THE FUND ADMINISTRATOR	8
7. CORPORATE GOVERNANCE STATEMENT	9
8. MANAGEMENT DISCUSSION AND ANALYSIS	10
9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORT	11
10. REPORT OF THE LOAN MANAGEMENT	12
11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	13
12. REPORT OF THE INDEPENDENT AUDITOR	14
13. FINANCIAL STATEMENTS	15
13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 th JUNE 2020.....	15
13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020	16
13.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020.....	17
13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020	18
13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 th JUNE 2020	19
13.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	20
13.7. NOTES TO THE FINANCIAL STATEMENTS.....	35
13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	48

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Elgeyo/Marakwet County Revolving Fund Act (Act No. 4 of 2014) establishes the Loans and Mortgage Fund for the Members of County Assembly and staff of the County Assembly. The Fund is wholly owned by the County Assembly of Elgeyo Marakwet and is domiciled in Kenya.

The principal purpose and object of the Act is to establish a loan scheme to provide loans to members of the scheme to purchase vehicles or residential houses in addition to develop, renovate or repair their residential property.

At the time of enactment of the Act, the scheme was for Members of the Assembly only in exclusion of staff. Subsequently, the principal Act was amended through the Elgeyo/Marakwet County (Amendment) Act, 2016 (Act No. 3 of 2016) to include staff members in the scheme.

b) Principal Activities

The principal activity/mission/ mandate of the Fund are to provide for low-interest Car and Mortgage loans to members and staff of the County Assembly.

c) Loan Management Committee

Ref	Name	Position
1	Hon. David Kiprono Kipketer	Chairperson
2	Hon. Gilbert Kimaiyo Kosgei	Vice Chair
3	Hon. Ambrose Kiplagat Kimutai	Member
4	Hon. Truphena Jemutai Yego	Member
5	Hon. Musa Kiplagat Limo	Member
6	Hon. Evans Limo Biwott	Member
7	Jane Kiptum - Mutai	Secretary/Fund Administrator
8	David Barngetung	Member
9	Peter Kimaiyo	Member
10	Susan Cheboi	Member

d) Key Management

Ref	Name	Position
1	Jane Kiptum - Mutai	Clerk to the County Assembly
2	Elias Maritim	Deputy Clerk
3	Joseph Kalessi Rutto	Principal Finance Officer
4	Rael Rotich	Principal Human Resource Officer
5	Collins Limo	Chief Legal Officer
6	William Cheptum	Payroll Manager

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

e) Registered Offices

P.O. Box 53-30700
County Assembly Building
Along Iten/Kapsowar Road
Iten, KENYA

f) Fund Contacts

Telephone: (254) 716647700
E-mail: info@emcassembly.go.ke
Website: www.emcassembly.go.ke

g) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Iten Branch
P.O. Box 456-30700
Iten
3. Trans National Bank
Iten Branch
P.O. Box 55-30700
Iten

h) Independent Auditors

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

i) Principal Legal Adviser

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

2. THE LOAN MANAGEMENT COMMITTEE

For the overall management of the scheme, the Elgeyo/Marakwet County Revolving Fund Act (Act No. 4 of 2014) established the Loans Management Committee. In consideration of the amendment to include members of the staff in the scheme, the composition of the membership of the committee therefore changed. In addition, three members of the staff were included to be part of the loans management committee.

	Name	Designation
1	Hon. David Kiprono Kipketer	Chairperson and MCA Sengwer Ward
2	Hon. Gilbert Kimaiyo Kosgei	Vice Chair and MCA Kaptarakwa Ward
3	Hon. Ambrose Kiplagat Kimutai	Member and MCA Kapchemutwa Ward
4	Hon. Truphena Jemutai Yego	Member and Nominated MCA Representing Gender
5	Hon. Musa Kiplagat Limo	Member and MCA Tambach Ward
6	Hon. Evans Limo Biwott	Member and MCA Kapyego Ward
7	Jane Kiptum - Mutai	Secretary and Clerk to the County Assembly
8	David Barngetung	Member and Senior Procurement Officer
9	Peter Kimaiyo	Member and Hansard Editor
10	Susan Cheboi	Member and Senior Clerk Assistant

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S
 PREDETERMINED OBJECTIVES**

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The Elgeyo/Marakwet County Car and Mortgage Revolving Fund Scheme principal purpose and objective is to provide loans to members of the scheme to purchase vehicles or residential houses in addition to develop, renovate or repair their residential property at a low interest rate of 3% pa.

Progress on attainment of Strategic objectives for Elgeyo/Marakwet Car and Mortgage Revolving Fund scheme,

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
EMCA Revolving Fund – Housing Scheme	To purchase, develop, renovate and repair of residential property for occupation of members and staff and his or her immediate family	Increased access to descent housing	% of members and staff accessing the loan	In FY 19/20 Eleven (11) additional staff members accessed the loan.
Program	Objective	Outcome	Indicator	Performance
EMCA Revolving Fund – Car Loan Scheme	To purchase motor vehicles for members and staff for efficient transport	Increased efficient transport to office for hon. Members and staff	% of members and staff accessing the loan	In FY 19/20 One (1) additional staff members accessed the loan.

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

4. MANAGEMENT TEAM

The key management personnel who held office during the year ended 30th June, 2020 and who had direct fiduciary responsibility were:

	Name	Details of qualifications and experience
1.	Jane Kiptum - Mutai	Bachelor of Laws (LLB). 17years' Experience. Clerk to the County Assembly.
2.	Elias Maritim	Bachelor of Laws (LLB). 13 years' Experience. Deputy Clerk
3.	Joseph Kalessi Rutto	Bachelor of Commerce / CPA (K). 14years' experience. Principal Finance Officer
4.	Rael Rotich	Bachelor of Business Management. 18years' experience. Principal Human Resource Officer
5.	Collins Limo	Bachelor of Laws (LLB). 8years' experience. Chief Legal Officer
6.	William Cheptum	Bachelor of Business Management (Accounting). 20years' experience. Payroll Manager

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

5. LOAN MANAGEMENT COMMITTEE CHAIRPERSON'S REPORT

Clause 6 of The Elgeyo/Marakwet County Revolving Fund (Amendment) Act, 2016 establishes the Loan Management Committee which consists of nine (9) members. Six of the members are members of county assembly; three are members of staff with Clerk to the County Assembly as an *ex-officio* member being the secretary.

The functions of the board are as set out in clause 7 of the said Act and shall include among others: Approving applications for loans in accordance with the prescribed terms and conditions of borrowing, overseeing the implementation and carrying out of policies formulated by the County Assembly Service Board (CASB) for the management and administration of the fund and setting out the criteria and conditions, with approval of the CASB for granting of loans.

The loan management committee held a total of ten (10) numbers of sittings during the entire period. They approved additional loans of **Kshs 49.14M** to both staff and Hon. Speaker of the County Assembly.

There were no changes in the fund during the year in terms of board and key management team. The performance of the fund is quite impressive. Despite the challenge of limited financing to the fund, the scheme has been able to benefit both staff and MCA's. However, the assembly every financial year endeavors to appropriate additional funding to the fund in order to benefit the remaining staff of the county assembly

Signed: _____



Hon. David Kiprono Kipketer

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

6. REPORT OF THE FUND ADMINISTRATOR

The financial statements for County Assembly Car & Mortgage Fund for the period ended 30th June, 2020 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

During the financial year, the fund did not receive any additional cash from exchequer. As at the end of the year, we were able to recover principal loan amounting **Kshs. 45.06 M** leaving an outstanding loan balance of **Kshs. 229.85 M** as indicated in the financial statements. The amount recovered on a monthly basis revolves back to benefit other members of the scheme.

Prior to disbursements of the loan, due diligence is normally carried out. The Assembly secured services of a valuer, insurance and lawyer who carry out valuation, insurance and charging of the properties respectively. The loans have been secured using title deeds and log books.

The performance of the fund is quite impressive. Despite the challenge of limited financing to the fund, the scheme has been able to benefit both staff and MCA's. However, the assembly every financial year endeavors to appropriate additional funding to the fund in order to benefit the remaining staff of the county assembly.

Signed: _____

Jane Kiptum – Mutai

Clerk to the County Assembly

7. CORPORATE GOVERNANCE STATEMENT

For the overall management of the scheme, the Act established the Loans Management Committee. In consideration of the amendment to include members of the staff in the scheme, the composition of the membership of the committee therefore changed. The Committee consists of nine (9) members. Six of the members are members of county assembly; three are members of staff with Clerk to the County Assembly as an *ex-officio* member being the secretary.

Clause 6 of The Elgeyo/Marakwet County Revolving Fund (Amendment) Act, 2016 establishes the Loan Management Committee. The committee performs the following functions among others: approves applications for loans in accordance with prescribed terms and conditions of borrowing; oversees the day-to-day running of the fund; oversees the implementation and carrying out policies formulated by the board for the management and administration of the fund and sets the criteria and conditions, with approval of the County Assembly Service Board (CASB) for granting of loans.

The Act, prescribes the membership of the board which includes, the vice chairperson of the CASB as the chairperson of the committee. Other members include the chairperson of welfare committee, chief whips of both majority and minority parties, members appointed by the assembly and three staff. The committee is paid sitting allowances once they sit.

The committee held a total of ten (10) meetings during the financial year. They approved additional loans of **Kshs 49.14M** to both staff and Hon. Speaker of the County Assembly.

8. MANAGEMENT DISCUSSION AND ANALYSIS

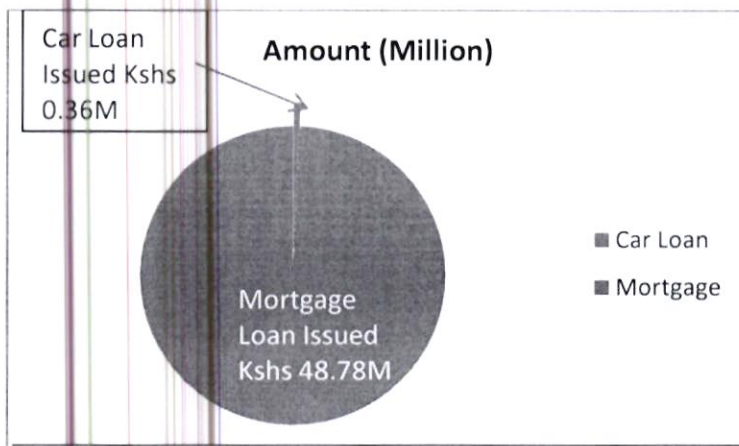
Elgeyo/Marakwet County Assembly Car and Mortgage Revolving Fund became operational after the enactment of The Elgeyo/Marakwet County Revolving Fund (Amendment) Act, 2016. The fund had an initial amount of Kshs. 150 Million which was only meant for Hon. Speaker and Members of County Assembly. Subsequently, on 4th July, 2016 the principal Act was amended for the scheme to accommodate staff of the county assembly. An initial amount of Kshs. 30 Million was appropriated specifically for staff. Since then, the fund has tremendously grown. As at 30th June, 2020, the fund had over **Ksh 270 Million**.

The fund is managed internally having Loan Management Committee consisting of ten (10) members who are responsible for the day-to-day running of the fund with the County Assembly clerk being the fund administrator. The fund is implemented in compliance with provisions of the said Act, and other statutory requirements. Prior to disbursement of the funds, a clear appraisal process is followed through various departments like Human Resource/Payroll, Finance and legal. Properties and vehicles are also valued and insured before final charging is done by lawyer.

They approved additional mortgage and car loan of **Kshs 48.78M** and **Kshs 0.36M** to both staff and Hon. Speaker of the County Assembly respectively.

Apart from the risk of a politician losing his/her seat, the fund does not face major risks since the loans are fully secured using titles and log books. The assembly recovers on a monthly basis through payroll all deductions and remits to the fund accounts. So far, there are no arrears accrued to the fund.

Car and Mortgage Loans issued during the year.



ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

There were no corporate Social Responsibility activities undertaken during the year related to the fund.

10. REPORT OF THE LOAN MANAGEMENT COMMITTEE

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to provide for low-interest Car and Mortgage Loans to Hon. Members and Staff of the County Assembly

Results

The results of the Fund for the year ended June 30, 2020 are set out on page 15 to 18

Trustees

The members of the Board who served during the year are shown on page 4. There were no changes in the Board during the financial year.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

Secretary of the Board

Date:

27/11/2020

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by The Elgeyo/Marakwet County Revolving Fund (Amendment) Act, 2016 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2020. 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 Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Elgeyo/Marakwet County Revolving Fund (Amendment) Act, 2016. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 27th November, 2020 and signed on its behalf by:



Administrator of the County Public Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ELGEYO MARAKWET COUNTY ASSEMBLY CAR AND MORTGAGE REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund set out on pages 15 to 53, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, the statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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 and Section 35 of the Public Audit Act, 2015. 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.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Elgeyo Marakwet County Assembly Revolving Fund Act, 2014 and Elgeyo Marakwet County Revolving Fund (Amendment) Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Failure to Prepare A Budget

The statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflects nil approved budget against total actual income of Kshs.7,576,089 and total actual expenditure of Kshs.881,137 resulting to a surplus of Kshs.6,694,952. However, the approved budget was not availed for audit review.

As a result, the accuracy and completeness of the statement of comparison of budget and actual amounts for the year ended 30 June, 2020 could not be confirmed.

2.0 Presentation and Disclosure of Receivables from Exchange Transactions

The statement of financial position as at 30 June, 2020 reflects non-current assets-long term receivables from exchange transactions of Kshs.229,853,663. However, a review of

the records provided indicated that the portion recoverable within one year has not been classified under current portion of long-term receivables from exchange transactions.

Consequently, the accuracy and validity of long-term receivables from exchange transactions figure of Kshs.229,853,663 and nil current portion of long-term receivables from exchange transactions could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Fund Administration Expenses

The statement of financial performance for the year ended 30 June, 2020 reflects fund administrative expenses of Kshs.788,900 which was 10 % of the actual income of Kshs.7,576,089. This is contrary to Section 197(1)(d) of Public Finance Management (County Governments) Regulations, 2015 which provides that fund administration costs of a County Public Fund be at a maximum of three (3%) percent of the approved budgets of the Fund.

2.0 Long Term Receivables from Exchange Transactions - Loan Receivables

As previously reported, the statement of financial position for as at 30 June, 2020 reflects long-term receivables from exchange transactions of Kshs.229,853,663. Although the properties used as security were valued and loans thereof issued insured, there was no evidence that the loans for development of residential property were utilized for purchase, development, renovation or repair of residential property for the occupation of the applicant and or immediate family as the application forms were not accompanied by

copies of designs of the proposed residential property and bills of quantities in respect of the proposed development as required by Section 16(1) of the Elgeyo Marakwet County Assembly Revolving Fund, 2014. Further, there was no evidence that the motor vehicles acquired under the scheme had comprehensive insurance cover and jointly registered between the County Assembly Service Board and the applicant.

Consequently, the recoverability of the loans may be doubtful.

3.0 Unresolved Prior Year Audit Matters

There were issues raised in the audit report for 2018/2019 financial year of which no report or recommendations from the Fund Management and oversight bodies were submitted for audit verification and clearance. Further, the issues remain unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for County Government entities to try to resolve any issues resulting from an audit that remain outstanding.

Consequently, the Fund Management is in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

13. FINANCIAL STATEMENTS

13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines, penalties and other levies	3	-	-
Revenue from exchange transactions			
Interest income	4	7,576,089	7,237,840
Other income	5	-	-
		7,576,089	7,237,840
Total revenue		7,576,089	7,237,840
Expenses			
Fund administration expenses	6	788,900	1,031,200
Staff Costs	7	-	-
General expenses	8	92,237	65,404
Finance costs	9	-	-
Total expenses		881,137	1,096,604
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit) for the period		6,694,952	6,141,236

The notes set out on pages 35 to 48 form an integral part of these Financial Statements


ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

13.2. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	11	40,674,364	38,061,339
Current portion of long term receivables from exchange transactions	12	-	-
Prepayments	14	-	-
Inventories	15	-	-
Non-current assets			
Property, plant and equipment	16	-	-
Intangible assets	17	-	-
Long term receivables from exchange transactions	12	229,853,663	225,771,735
Total assets		270,528,027	263,833,074
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	-	-
Provisions	19	-	-
Current portion of borrowings	20	-	-
Employee benefit obligations	23	-	-
		-	-
Non-current liabilities			
Non-current employee benefit obligation	23	-	-
Long term portion of borrowings	20	-	-
Total liabilities		-	-
Net assets		-	-
Revolving Fund		251,343,886	251,343,886
Reserves		-	-
Accumulated surplus		19,184,141	12,489,188
Total net assets and liabilities		270,528,027	263,833,074

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27th November 2020 and signed by:


 Administrator of the Fund
 Name: Jane Kiptum - Mutai


 Fund Accountant
 Name: Joseph Kalessi Rutto
 ICPAK Member No: 7406

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

13.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2020

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2018	226,343,886	-	6,347,953	232,691,839
Surplus/(deficit) for the period		-	6,141,236	6,141,236
Funds received during the year	25,000,000	-	-	25,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	251,343,886	-	12,489,189	263,833,075
Balance as at 1 July 2019	251,343,886	-	12,489,188	263,833,074
Surplus/(deficit) for the period	-	-	6,694,952	6,694,952
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	251,343,886	-	19,184,141	270,528,027

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Interest received	4	7,576,089	7,237,840
Receipts from other operating activities		-	-
Total Receipts		7,576,089	7,237,840
Payments			
Fund administration expenses	6	788,900	1,031,200
General expenses	8	92,237	65,404
Finance cost	9	-	-
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	21	-	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)	22	-	-
Net cash flows from operating activities	24	6,694,952	6,141,236
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(-)	(-)
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments	27	45,062,720	53,620,821
Loan disbursements paid out	28	(49,144,646)	(279,392,557)
Net cash flows used in investing activities		(4,081,926)	(225,771,736)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	251,714,548
Additional borrowings		-	-
Repayment of borrowings		(-)	(-)
Net cash flows used in financing activities		-	251,714,548
Net increase/(decrease) in cash and cash equivalents		2,613,026	32,084,048
Cash and cash equivalents at 1 JULY	11	38,061,338	5,977,290
Cash and cash equivalents at 30 JUNE	11	40,674,364	38,061,338

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.						
Interest income	-	-	-	7,576,089	(7,576,089)	100%
Other income	-	-	-	-	-	
Total income	-	-	-	7,576,089	(7,576,089)	100%
Expenses						
Fund administration expenses	-	-	-	788,900	(788,900)	100%
General expenses	-	-	-	92,237	(92,237)	100%
Finance cost	-	-	-	-	-	
Total expenditure	-	-	-	881,137	(881,137)	100%
Surplus for the period	-	-	-	6,694,952	(6,694,952)	100%

13.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

Standard	Effective date and impact:
	<p>model that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time</p>

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

Standard	Effective date and impact:
	<p>Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

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 entity and can be measured reliably.

ii) Revenue from exchange transactions

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.

4. Budget information

The original budget for FY 2019/2020 was approved by the County Assembly on 26th June, 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund didn't record additional appropriations on the FY 2019/2020 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section 12.5 of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property, plant and equipment

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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection 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.

6. 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.

7. 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 Entity determines the classification of its financial assets at initial recognition.

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.

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity 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.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity 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 entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity 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 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 Entity 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. 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.

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

- Raw materials: purchase cost using the weighted average cost method
- 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. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

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 Entity.

9. Provisions

Provisions are recognized when the Entity 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 Entity 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.

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible 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 Entity 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.

10. Nature and purpose of reserves

The Entity does not create and maintain any reserves.

11. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

12. Employee benefits– Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

13. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. 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.

15. Related parties

The Entity 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

16. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. 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 institutions which were not surrendered or accounted for at the end of the financial year.

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The entity is a County Public Fund established by The Elgeyo/Marakwet County Revolving Fund Act, 2014 under the Elgeyo Marakwet County Assembly. Its ultimate parent is the County Government of Elgeyo/Marakwet.

20. Currency

The financial statements are presented in Kenya Shillings (KShs).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. Significant judgments and sources of estimation uncertainty

The preparation of the Entity'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.

State all judgements, estimates and assumptions made:

Estimates and assumptions – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

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 Entity
- 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

Provisions

Provisions were raised and management determined an estimate based on the information available. There were no additional provisions.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

22. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2019				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2018				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has no significant concentration of credit risk on amounts due.

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2019				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2018				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Other currencies	Total
	KShs	KShs	KShs
At 30 June 2019			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2020			
Euro	10%	-	-
USD	10%	-	-
2019			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase.

ELGEYO MARAKWET COUNTY ASSEMBLY

CAR & MORTGAGE REVOLVING FUND

Annual Reports and Financial Statements

For the year ended June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Capital risk management

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2019/2020	2018/2019
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	251,343,886	251,343,886
Accumulated surplus	19,184,141	12,489,188
Total funds	270,528,027	263,833,074
Total borrowings	-	-
Less: cash and bank balances	(40,674,364)	(38,061,339)
Net debt/(excess cash and cash equivalents)	229,853,662	225,771,735
Gearing	84.96%	85.57%

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

13.7. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2019/2020	2018/2019
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2019/2020	2018/2019
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2019/2020	2018/2019
	KShs	KShs
Interest income from Mortgage loans - Received	6,260,669	6,868,983
Interest income from Mortgage loans - Accrued	677,461	-
Interest Income from Car Loans - Received	62,625	-
Interest income from investments	-	-
Interest income on bank deposits - Received	575,334	368,857
Total interest income	7,576,089	7,237,840

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
 Annual Reports and Financial Statements
 For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income

Description	2019/2020	2018/2019
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

6. Fund administration expenses

Description	2019/2020	2018/2019
	KShs	KShs
Staff costs (Note 7)	-	-
Loan processing costs	788,900	1,031,200
Professional services costs	-	-
Administration fees	-	-
Total	788,900	1,031,200

7. Staff costs

Description	2019/2020	2018/2019
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. General expenses

Description	2019/2020	2018/2019
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	92,237	65,404
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	92,237	65,404

• **ELGEYO MARAKWET COUNTY ASSEMBLY**

CAR & MORTGAGE REVOLVING FUND

Annual Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Finance costs

Description	2019/2020	2018/2019
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2019/2020	2018/2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	2019/2020	2018/2019
	KShs	KShs
EMCA Car & Mortgage loan account	40,674,364	38,061,339
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	-	-
Others	-	-
Total cash and cash equivalents	40,674,364	38,061,339

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Detailed analysis of the cash and cash equivalents are as follows:

		2019/2020	2018/2019
Financial institution	Account number	KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
Sub- total		-	-
c) Current account			
Kenya Commercial Bank	1204932468	1,883,993	1,506,569
Trans National Bank	180001	38,790,371	36,554,770
Sub- total		40,674,364	38,061,339
d) Others(specify)		-	-
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		40,674,364	38,061,339

12. Receivables from exchange transactions

Description	2019/2020	2018/2019
	KShs	KShs
Current Receivables		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	-
Total Current receivables	-	-
Non Current receivables		
Long term loan repayments due	229,853,663	225,771,735
Total Non- current receivables	229,853,663	225,771,735
Total receivables from exchange transactions	229,853,663	225,771,735

ELGEYO MARAKWET COUNTY ASSEMBLY

CAR & MORTGAGE REVOLVING FUND

Annual Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Additional disclosure on interest receivable

Description	2019/2020	2018/2019
	KShs	KShs
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

13. Revenue from Non-Exchange transaction

Description	2019/2020	2018/2019
	KShs	KShs
Transfer to County Executive	-	-
Transfer to XXXX Fund	-	-
Total receivables from non-exchange transactions	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Prepayments

Description	2019/2020	2018/2019
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments (specify)	-	-
Total	-	-

15. Inventories

Description	2019/2020	2018/2019
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2018	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30th June 2019	-	-	-	-	-
At 1st July 2019	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30th June 2020	-	-	-	-	-
Depreciation and impairment					
At 1 st July 2018	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2019	-	-	-	-	-
At 1st July 2019	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30th June 2020	-	-	-	-	-
Net book values					
At 30th June 2019	-	-	-	-	-
At 30th June 2020	-	-	-	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets-software

Description	2019/2020	2018/2019
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

18. Trade and other payables from exchange transactions

Description	2019/2020	2018/2019
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	-

19. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year (1.07.2019)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
Balance at the end of the year (30.06.2020)	-	-	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Borrowings

Description	2019/2020	2018/2019
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
Balance at end of the period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

	2019/2020	2018/2019
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organization'	-	-
Sterling Pound denominated loan from 'yy organization'	-	-
Euro denominated loan from zzz organization'	-	-
Domestic Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	2019/2020	2018/2019
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Account receivable as at 1 st July 2019 (A)	-	-
Account receivable issued during the year (B)	-	-
Account receivable settled during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

22. CHANGES IN PAYABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Accounts Payable as at 1 st July 2019 (A)	-	-
Accounts Payable held during the year (B)	-	-
Accounts Payable paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Cash generated from operations

	2019/2020	2018/2019
	KShs	KShs
Surplus/ (deficit) for the year before tax	-	-
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Fund Expenses	(881,137)	(1,096,604)
Interest income	7,576,089	7,237,840
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase In receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	6,694,952	6,141,236

25. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2019/2020	2018/2019
	KShs	KShs
Transfers from related parties' (From Exchequer through Elgeyo/Marakwet County Assembly Operational Budget)	-	25,000,000
Transfers to related parties	-	-
Total	-	25,000,000

c) Key management remuneration

	2019/2020	2018/2019
	KShs	KShs
Loan Management Committee	788,900	1,031,200
Key Management Compensation	-	-
Total	788,900	1,031,200

d) Due from related parties

	2019/2020	2018/2019
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	2019/2020	2018/2019
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

26. Contingent assets and contingent liabilities

Contingent liabilities	2019/2020	2018/2019
	KShs	KShs
Court case xxx against the Fund	-	-
Bank guarantees	-	-
Total	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Proceeds from Loan Principal Repayments

Description	2019/2020	2018/2019
	KShs	KShs
Loan Repayments from Hon. Members Disbursements	31,038,140	42,919,780
Less: Accrued Interest from April - June 2020	(677,462)	-
Total Loan Repayments from Staff	14,702,041	10,701,041
Total interest income	45,062,720	53,620,821

28. Loan Disbursements Paid Out

Description	2019/2020	2018/2019
	KShs	KShs
Additional Loans Disbursed to Hon. Members during the Year	577,432	164,242,143
Additional Loans Disbursed to Staff Members during the Year	48,567,214	115,150,415
Total interest income	49,144,646	279,392,557

29. Revolving Fund and Accumulated Surplus

Description	Revolving Fund	Accumulated Surplus	Total
		KShs	KShs
Balance as at 1 July 2018	226,343,886	6,347,953	232,691,839
Surplus/(deficit) for the period		6,141,236	6,141,236
Funds received during the year	25,000,000	-	25,000,000
Revaluation gain	-	-	-
Balance as at 30 June 2019	251,343,886	12,489,189	263,833,075
Balance as at 1 July 2019	251,343,886	12,489,188	263,833,074
Surplus/(deficit) for the period	-	6,694,952	6,694,952
Funds received during the year	-	-	-
Revaluation gain	-	-	-
Balance as at 30 June 2020	251,343,886	19,184,141	270,528,027

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

14. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.1	Presentation and Accuracy of the Financial Statements	The accumulated surpluses of Kshs 12,489,188 and Revolving Fund balance of Kshs 251,343,886 reflected in the Statement of Financial Position have been analyzed and presented in the Statement of Changes in Net Assets and under Note 29 of the Amended Financial Statements.	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June, 2021
2.2	Comparison of Budget and Actual Amounts.	It is true that the statement of comparison of budget and actual amount for the period ended 30 th June, 2019 reflect nil approved budget on projected interest income as well as fund expenses. As shown in the financial statements, apart from the bank charges, the only administrative	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June, 2021

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		expenditure for the fund relates to the loan management committee sitting allowances as provided for under the Act. Consequently, the assembly will endeavor to comply going forward			
2.3	Long Term Receivables from Exchange Transactions	The kshs 225,771,735 related to the total outstanding loans as at end of 2018/19 financial year. We captured under long term receivables since we couldn't accurately determine the amount that is recoverable within one year unless we estimated based on the repayment rates. In addition, the amount recovered also revolves to new loan beneficiaries.	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June, 2021
2.4	Transfers from the County Government	The statement of receipts and payments for the year ended 30 th June, 2019 reflected a nil transfer from the County Government balance. This is because currently, we are using IPSAS accrual basis of accounting as opposed to IPSAS cash basis.	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June 2021

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Consequently, the Kshs 25 Million received was capitalized in the fund as reflected in the Statement of Changes in Net Assets.			
2.5	Fund Administration Expenses	<p>The administrative expenses relates to loan management committee sitting allowances.</p> <p>Clause 8.1 of The Elgeyo/Marakwet County Revolving Fund Act, 2014 provides that:</p> <p><i>(1) The Committee shall meet at least four times in a year but the chairperson –</i></p> <p><i>a) May convene a special meeting of the committee if there is need to do so; and</i></p> <p><i>b) Shall convene a special meeting upon the request, in writing, by at least four members of the committee.</i></p>	Jane Kiptum - Mutai – Clerk to The County Assembly	Un-resolved	30 th June 2021

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Annual Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		The Committee meets on need basis to dispense on its mandate as provided for in the Act. However, the assembly will continuously endeavour to comply with set guidelines as per the PFM (County Government) regulations			
3.0	Long term receivables from exchange transactions - Disbursement of loans	It is true that copies of designs of the proposed residential property and bills of quantities in respect of the proposed development as required by section 16(1) of the Elgeyo Marakwet County Revolving Fund, 2014 were not attached to the application forms. This is because some loan beneficiaries use purely the mortgage loan to secure properties (Land) for residential which will be developed later. Similarly, some beneficiaries apply labor based contracts while developing their residential buildings. As mentioned in the audit report for 2018/19 FY the charging	Jane Kiptum - Mutai – Clerk to The County Assembly	Un-resolved	30 th June 2021

**ELGEYO MARAKWET COUNTY ASSEMBLY
 CAR & MORTGAGE REVOLVING FUND
 Annual Reports and Financial Statements
 For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>process was on-going. Consequently, as at the end of the 2019/20 FY, all the loans had been fully charged.</p> <p>Further, we wish to note that monthly repayments are on course through payroll. We are therefore confident that both the car and mortgage loans will be recovered within the stipulated time frames and that the loans are insured and charged hence fully secured.</p>			

Statement For Period 01/05/2020 To 02/07/2020

Curr : KES Account : 180001/500UCA00/1/0

Branch : 18 - ITEN

Address : **EMC ASSEMBLY CAR AND MORTGAGE
REVOLVING FUND ACC**
P.O. Box 55
30700
ITEN

Name : 1) **EMC ASSEMBLY CAR AND MORTGAGE REVOLVING
FUND ACC**
2)
3)
4)
5)
6)

Date	Description	Reference	Value Date	Money Out	Money In	Balance
31/03/2020	OPENING BALANCE		31/03/2020	-	-	38,792,538.42
13/05/2020	INWARD CHQ- APA LIFE ASSUARANCE	59	13/05/2020	-27,432.00	-	38,765,106.42
11/06/2020	CASH WITHDRAWAL	60	11/06/2020	-133,500.00	-	38,631,606.42
30/06/2020	INTEREST FOR 30/06/2020		30/06/2020	-	193,488.00	38,825,094.42
30/06/2020	TAX DEDUCTED..		30/06/2020	-29,023.00	-	38,796,071.42
30/06/2020	ORIGBRCD = 99 RTGS B/O ELGEYO MARAKWET COUNTY		30/06/2020	-	99,100.00	38,895,171.42
01/07/2020	KRA ESLIP :2020200001592926 REF: 2401072000021897		01/07/2020	-104,800.00	-	38,790,371.42
01/07/2020	KRA ESLIP :2020200001592926 REF: 2401072000021897		01/07/2020	-300.00	-	38,790,071.42
01/07/2020	KRA ESLIP :2020200001592926 REF: 2401072000021897		01/07/2020	-60.00	-	38,790,011.42
Total Debits (6) and Credits (2) :				-295,115.00	292,588.00	

Account Summary :

Opening Balance	38,792,538.42	You may E-Mail us on : customerservice@tnbl.co.ke
Closing Balance	38,790,011.42	
Total Debit Amount	-295,115.00	
Total Credit Amount	292,588.00	

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ITEN BRANCH

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ANALYSIS OF MORGAGE LOAN REPAYMENT SCHEDULE: JULY 2019 - JUNE 2020

	NAME	OUTSTANDING LOAN AS AT 1ST JULY 2019 (KES)	ADDITIONAL CHARGES/LOAN TAKEN DURING THE YEAR	TOTAL LOANS	PRINCIPAL LOAN PAID (KES)	PRINCIPAL LOAN BALANCE (KES)	INTEREST RECEIVED (KES)	ACCURED INTEREST (KES)	TOTAL INTEREST (KES)	TOTAL REPAYMENTS (KES)
1	HON CHRISTOPHER KIMUTAI KIBOR	3,244,882.79	-	3,244,882.79	826,874.87	2,418,007.92	65,025.13	18,180.43	83,205.57	891,900.00
2	HON WILLIAM KIPKOSGEI CHERUTICH	3,254,036.17	-	3,254,036.17	826,666.85	2,427,369.32	65,233.15	18,250.82	83,483.98	891,900.00
3	HON NATHAN KILIMO CHELANGA	3,260,416.99	-	3,260,416.99	826,521.83	2,433,895.16	65,378.17	18,299.89	83,678.05	891,900.00
4	HON JAMES CHERCHIR CHEPLAITI	3,238,540.51	-	3,238,540.51	827,019.01	2,411,521.50	64,880.99	18,131.66	83,012.66	891,900.00
5	HON EVALYNE JEPCHUMBA KIPTOO	3,331,704.93	-	3,331,704.93	824,901.72	2,506,803.21	66,998.28	18,848.07	85,846.34	891,900.00
6	HON GILBERT KIMAIYO KOSGEI	3,240,484.16	-	3,240,484.16	826,974.83	2,413,509.33	64,925.17	18,146.61	83,071.78	891,900.00
7	HON MAUREEN JEPKOSGEI MASIT	3,238,618.47	-	3,238,618.47	827,017.23	2,411,601.24	64,882.77	18,132.26	83,015.03	891,900.00
8	HON JONAH KIPKORIR TANUI	3,225,027.92	-	3,225,027.92	827,326.10	2,397,701.82	64,573.90	18,027.76	82,601.66	891,900.00
9	HON JOHN KIPLAGAT YATOR	3,331,626.97	-	3,331,626.97	824,903.49	2,506,723.48	66,996.51	18,847.47	85,843.97	891,900.00
10	HON ZACHARIA KIPLAGAT MAGUT	3,239,575.77	-	3,239,575.77	826,995.48	2,412,580.29	64,904.52	18,139.63	83,044.15	891,900.00
11	HON LORNA JEROTICH TANUI	3,240,329.40	-	3,240,329.40	826,978.35	2,413,351.05	64,921.65	18,145.42	83,067.07	891,900.00
12	HON SHADRACK LULLEY KIPTOO	3,238,276.10	-	3,238,276.10	827,025.01	2,411,251.09	64,874.99	18,129.63	83,004.62	891,900.00
13	HON SALINA JEMOSOP KIMITTO	3,308,558.10	-	3,308,558.10	825,427.76	2,483,130.34	66,472.24	18,670.08	85,142.31	891,900.00
14	HON EVANS LIMO BIWOTT	3,238,514.88	-	3,238,514.88	827,019.59	2,411,495.29	64,880.41	18,131.47	83,011.88	891,900.00
15	HON EMILY KIROP	3,253,803.45	-	3,253,803.45	826,672.13	2,427,131.32	65,227.87	18,249.03	83,476.90	891,900.00
16	HON JASLINE JEPKOSGEI RUTTO	3,238,925.04	-	3,238,925.04	827,010.27	2,411,914.77	64,889.73	18,134.62	83,024.36	891,900.00
17	HON JANE KAITANY	3,254,036.17	-	3,254,036.17	826,666.85	2,427,369.32	65,233.15	18,250.82	83,483.98	891,900.00
18	HON WINNIE JEBET KANDA	3,327,422.50	-	3,327,422.50	824,999.04	2,502,423.46	66,900.96	18,815.14	85,716.09	891,900.00
19	HON WILLIAM KIPRONO KIPLAGAT	3,262,340.00	-	3,262,340.00	826,478.13	2,435,861.87	65,421.87	18,314.67	83,736.54	891,900.00
20	HON DAVID KIPRONO KIPKETER	3,333,627.93	-	3,333,627.93	824,858.02	2,508,769.91	67,041.98	18,862.85	85,904.83	891,900.00
21	HON NEDDY KIPTOO JERUTO	3,239,653.72	-	3,239,653.72	826,993.71	2,412,660.01	64,906.29	18,140.23	83,046.52	891,900.00
22	HON LAWI KIPNGETICH KIBIRE	3,238,385.75	-	3,238,385.75	827,022.52	2,411,363.23	64,877.48	18,130.47	83,007.95	891,900.00
23	HON PHILEMON KIPLAGAT SABULE	7,642,551.85	550,000.00	8,192,551.85	2,199,167.87	5,993,383.98	160,512.13	45,062.85	205,574.98	2,359,680.00
24	HON TRUPENA JEMUTAI YEGO	3,259,986.88	-	3,259,986.88	826,531.61	2,433,455.27	65,368.39	18,296.58	83,664.97	891,900.00
25	HON GLORIA JEBET CHANGWONY	3,256,134.56	-	3,256,134.56	826,619.16	2,429,515.40	65,280.84	18,266.96	83,547.80	891,900.00
26	HON JOHN LOCHAA KITUM	3,256,134.56	-	3,256,134.56	826,619.16	2,429,515.40	65,280.84	18,266.96	83,547.80	891,900.00
27	HON WILSON TICH CHEBOI	3,333,627.93	-	3,333,627.93	824,858.02	2,508,769.91	67,041.98	18,862.85	85,904.83	891,900.00
28	HON PAUL KIPCHUMBA KIPYATICH	3,255,498.30	-	3,255,498.30	826,633.62	2,428,864.68	65,266.38	18,262.06	83,528.45	891,900.00
29	HON THOMAS KIPROP KIMUNEI	3,254,941.97	-	3,254,941.97	826,646.26	2,428,295.71	65,253.74	18,257.79	83,511.53	891,900.00
30	HON AMBROSE KIPLAGAT KIMUTAI	3,241,240.07	-	3,241,240.07	826,957.65	2,414,282.42	64,942.35	18,152.42	83,094.77	891,900.00
31	HON MUSA KIPLAGAT LIMO	3,309,957.58	-	3,309,957.58	825,395.96	2,484,561.62	66,504.04	18,680.84	85,184.88	891,900.00
32	HON PHILIP KIPKOSGEI KIPRUTTO	3,345,752.26	-	3,345,752.26	917,348.00	2,428,404.26	73,652.00	12,621.61	86,273.61	991,000.00
33	HON ELISHA KIPLAGAT KEITANY	3,240,484.16	-	3,240,484.16	826,974.83	2,413,509.33	64,925.17	18,146.61	83,071.78	891,900.00
34	SALLY TOROTICH	2,994,315.45	-	2,994,315.45	736,600.24	2,257,715.21	60,259.76	16,975.23	77,234.99	796,860.00
35	LIVINGSTONE FALEL	3,056,469.76	-	3,056,469.76	735,187.70	2,321,282.06	61,672.30	17,453.18	79,125.47	796,860.00
36	HON PRISCILLA KURGAT	3,096,479.03	27,432.00	3,123,911.03	830,247.54	2,293,663.49	61,652.46	17,176.59	78,829.06	891,900.00
	TOTAL	121,322,362	577,432	121,899,794	31,038,140	90,861,654	2,447,060	677,462	3,124,521	33,485,200

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

CHEQUE		PAYEE	AMOUNT		DETAILS	AMOUNT	
No.	Date		Sh.	Cts.		Sh.	Cts.

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

DETAILS	AMOUNT		DETAILS	AMOUNT	
	Sh.	Cts.		Sh.	Cts.



2 July 2020
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ACCOUNT STATEMENT

Customer:
Account: 1204932468 EMC ASSEMBLY CAR AND MRTG REV FUND
Product Name: Business Current Account
Statement Period: 01 JUN 2020

TXN DATE	DESCRIPTION	VALUE DATE	MONEY OUT	MONEY IN	LEDGER BALANCE
			KES Balance at Period Start: 2,403,303.00		
			KES Balance at Period End: 883,873.00		
01 JUN 2020	BALANCE B/FWD	01 JUN 2020			2,403,303.00
05 JUN 2020	Inward SWIFT Pa AT-DP C ELGEYOMARAKWET / REC/0030	05 JUN 2020		45,295.00	2,448,598.00
05 JUN 2020	Inward SWIFT Pa AT-DP C UASIN GISHU COU /R EC/0000	05 JUN 2020		44,880.00	2,493,478.00
05 JUN 2020	Inward SWIFT Pa AT-DP C ELGEYOMARAKWET / REC/0030	05 JUN 2020		1,584,685.00	4,078,163.00
11 JUN 2020	Transfer Charge AT-ITEN 62 AC-1255586915 FT20 16	11 JUN 2020	-120.00		4,078,043.00
11 JUN 2020	Cheque CHQ62 AT-ITEN EMC ASSEMBLY CAR A ND MRTG R	11 JUN 2020	-3,840,000.00		238,043.00
30 JUN 2020	Inward SWIFT Pa AT-DP C ELGEYOMARAKWET / REC/0030	30 JUN 2020		51,625.00	289,668.00
30 JUN 2020	Inward SWIFT Pa AT-DP C ELGEYOMARAKWET / REC/0030	30 JUN 2020		1,594,685.00	1,884,353.00
30 JUN 2020	Tax Amount Due AT-DPC 1204932468 120493246 8.ACC	01 JUL 2020	-60		1,884,293.00
30 JUN 2020	Maint Chrg AT-DPC 1204 932468 1204932468.ACC MAINK	01 JUL 2020	-300		1,883,993.00
01 JUL 2020	Transfer Charge AT-ITEN 63 AC-1255586915 FT20 18	01 JUL 2020	-120.00		1,883,873.00
01 JUL 2020	Cheque CHQ63 AT-ITEN MORTGAGE REMM TIM OTHY CHEME	01 JUL 2020	-1,000,000.00		883,873.00
			=====	=====	=====
			=	=	=
	BALANCE AT PERIOD E ND:		-4,840,600.00	3,321,170.00	883,873.00

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ANALYSIS OF MORGAGE LOAN REPAYMENT SCHEDULE: JULY 2019 - JUNE 2020

	NAME	OUTSTANDING LOAN AS AT 1ST JULY 2019 (KES)	ADDITIONAL CHARGES AND LOAN TAKEN DURING THE 2019/20 FY (KES)	TOTAL LOANS (KES)	PRINCIPAL LOAN PAID (KES)	PRINCIPAL LOAN BALANCE (KES)	INTEREST RECEIVED (KES)	TOTAL REPAYMENTS (KES)	REMARKS
1	JANE KIPTUM MUTAI	9,485,740.40	-	9,485,740.40	1,031,256.55	8,454,483.85	270,743.45	1,302,000.00	
2	JOSEPH KALESSI RUTTO	2,427,437.98	-	2,427,437.98	746,699.84	1,680,738.14	63,300.16	810,000.00	
3	DAVID BARNGETUNY	7,052,755.21	-	7,052,755.21	756,034.86	6,296,720.35	201,445.14	957,480.00	
4	SUSAN CHEBOI	2,553,526.00	-	2,553,526.00	275,082.83	2,278,443.17	72,917.17	348,000.00	
5	WILLIAM CHEPTUM	3,936,714.78	-	3,936,714.78	423,983.79	3,512,730.99	112,416.21	536,400.00	
6	ELKANA CHEBII	2,587,960.32	-	2,587,960.32	277,806.26	2,310,154.06	73,913.74	351,720.00	
7	JOSEPH KITUM	2,053,868.13	67,270.00	2,121,138.13	230,780.09	1,890,358.04	59,019.91	289,800.00	
8	EVANS KIPCHUMBA	4,566,099.52	-	4,566,099.52	443,886.31	4,122,213.21	131,033.69	574,920.00	
9	RICHARD KWAMBAI	640,216.03	69,550.00	709,766.03	504,264.91	205,501.12	12,935.09	517,200.00	
10	ISAAC ROTICH	3,016,736.24	1,070,050.00	4,086,786.24	395,274.79	3,691,511.45	113,425.21	508,700.00	
11	PETER KIPTUM	3,169,397.58	-	3,169,397.58	324,467.90	2,844,929.68	90,732.10	415,200.00	
12	SUSAN CHEROP	2,205,143.75	900,000.00	3,105,143.75	292,821.21	2,812,322.54	80,538.79	373,360.00	
13	PRISCA KIPYATOR	464,830.65	6,600.00	471,430.65	130,091.59	341,339.06	12,228.41	142,320.00	
14	ELIAS MARITIM	6,352,216.49	69,350.00	6,421,566.49	628,544.03	5,793,022.46	182,655.97	811,200.00	
15	RAEL ROTICH	8,898,527.00	69,870.00	8,968,397.00	872,824.68	8,095,572.32	255,775.32	1,128,600.00	
16	WILLIAM KOECH	2,718,538.99	1,500,000.00	4,218,538.99	301,445.34	3,917,093.65	115,534.66	416,980.00	
17	STANLEY KIPRONO	6,015,029.42	-	6,015,029.42	598,329.25	5,416,700.17	172,430.75	770,760.00	
18	BARNABAS RICHARD	4,953,367.00	84,126.00	5,037,493.00	506,980.09	4,530,512.91	142,219.91	649,200.00	
19	FESTUS KIPCHUMBA	1,524,925.89	25,538.00	1,550,463.89	153,219.99	1,397,243.90	43,820.01	197,040.00	
20	HILLARY KIPNGENO YEGO	1,722,658.81	30,045.00	1,752,703.81	182,458.26	1,570,245.55	49,381.74	231,840.00	
21	TIMOTHY K. TOROITICH	283,997.37	3,500.00	287,497.37	67,976.49	219,520.88	7,623.51	75,600.00	
22	COLINS LIMO	732,632.86	8,500.00	741,132.86	163,476.06	577,656.80	19,823.94	183,300.00	
23	LUCY KEMBOI	597,336.00	6,600.00	603,936.00	126,061.31	477,874.69	16,258.69	142,320.00	
24	WATSON KIPLAGAT	3,947,381.48	-	3,947,381.48	379,869.60	3,567,511.88	113,330.40	493,200.00	
25	JAMES BIWOTT	1,650,759.11	1,000,000.00	2,650,759.11	232,233.82	2,418,525.29	71,566.18	303,800.00	
26	ERICK KIPCHOROR	207,444.01	15,000.00	222,444.01	222,444.01	0.00	1,880.99	224,325.00	Loan Cleared
27	BETSY CHERUYIOT	2,323,662.34	1,000,000.00	3,323,662.34	291,647.69	3,032,014.65	90,952.31	382,600.00	
28	DERICK BARTAI	3,962,340.08	-	3,962,340.08	372,846.16	3,589,493.92	113,873.84	486,720.00	
29	VINCENT KIPRONO	3,139,103.26	-	3,139,103.26	309,698.00	2,829,405.26	90,022.00	399,720.00	
30	JOY LUBANGA	1,889,348.63	1,300,000.00	3,189,348.63	264,415.98	2,924,932.65	79,544.02	343,960.00	
31	RAPHAEL KIGEN	2,081,990.00	-	2,081,990.00	195,155.45	1,886,834.55	59,844.55	255,000.00	
32	HILDA KORIR	1,900,906.09	-	1,900,906.09	177,187.12	1,723,718.97	54,652.88	231,840.00	
33	TIMOTHY K. KIPCHUMBA	2,894,476.09	-	2,894,476.09	255,589.64	2,638,886.45	83,410.36	339,000.00	
34	MAURYN KOECH	2,492,306.85	-	2,492,306.85	229,627.61	2,262,679.24	71,692.39	301,320.00	
35	LUCY KEMBOI	-	3,415,078.00	3,415,078.00	256,550.21	3,158,527.79	81,449.79	338,000.00	
36	PIUS KIPTOO KOECH	-	5,430,124.00	5,430,124.00	401,538.04	5,028,585.96	129,561.96	531,100.00	
37	EDWIN CHESEREK	-	3,715,086.00	3,715,086.00	278,384.91	3,436,701.09	88,615.09	367,000.00	
38	WILLY CHEPKOLE	-	5,830,133.00	5,830,133.00	387,005.90	5,443,127.10	125,769.10	512,775.00	
39	PETER KIMAIYO	-	4,930,113.00	4,930,113.00	422,447.10	4,507,665.90	105,402.90	527,850.00	
40	PHILIPH CHEON	-	5,840,133.00	5,840,133.00	387,644.90	5,452,488.10	125,985.10	513,630.00	
41	RICHARD KADNO	-	1,230,028.00	1,230,028.00	86,523.60	1,143,504.40	26,471.40	112,995.00	
42	ERICK KIPCHOROR	-	355,520.00	355,520.00	37,619.97	317,900.03	6,690.03	44,310.00	
43	ERICK KIPCHOROR	-	1,407,500.00	1,407,500.00	18,461.24	1,389,038.76	10,508.76	28,970.00	
44	BERNARD YATOR	-	5,347,500.00	5,347,500.00	66,183.86	5,281,316.14	40,036.14	106,220.00	
45	TIMOTHY CHEMUTUT	-	3,840,000.00	3,840,000.00	(4,800.00)	3,844,800.00	4,800.00	-	
	TOTAL	104,449,374	48,567,214	153,016,588	14,702,041	138,314,547	3,876,234	18,578,275	

