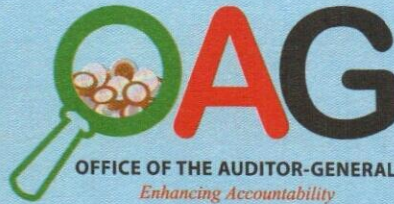


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

DCL
2025
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REPORT

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THE AUDITOR-GENERAL

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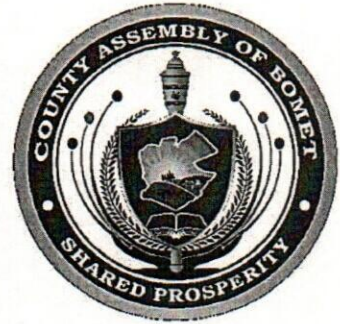
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**BOMET COUNTY ASSEMBLY CAR LOAN AND
MORTGAGE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2025**

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BOMET COUNTY ASSEMBLY CAR LOAN AND MORTGAGE FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

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



Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period)

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

2. Key Entity Information and Management

a) Background information

The Bomet County Assembly Car Loan and Mortgage Fund is a revolving facility established pursuant to the Salaries and Remuneration Commission (SRC) Circular No. SRC/TS/WH/3/14 dated 14th February 2014. In line with Section 167 of the Public Finance Management (PFM) Act, 2012, the Fund is administered in accordance with the principles of prudent financial management, including the preparation of annual financial statements.

To ensure effective governance and compliance, the County Assembly adopted the Public Finance Management (County Governments) Regulations, 2022, as advised by the SRC, to guide the operationalization of the Fund. Under Regulation 16 of the said Regulations, and in line with SRC recommendations, the County Assembly Service Board appointed the Clerk of the Assembly as the Fund Administrator.

Further guidance on eligibility and access to car loan and mortgage benefits for state and public officers was provided through SRC Circular No. SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014. In response, the County Assembly Service Board approved and adopted the Staff Loans Regulations in 2018 to facilitate the structured and transparent administration of the Fund.

The Fund is wholly owned by the County Assembly of Bomet and is domiciled in Kenya, serving as a financial empowerment tool for eligible officers while promoting efficient and accountable fund management.

b) Principal Activities

The Fund is mandated to provide accessible and affordable loans to staff and Members of the County Assembly, enabling them to acquire vehicles and housing in line with the Fund's objectives and applicable regulations.

c) Board of Trustees/Fund Administration Committee

S/N	Name	Designation
1	Cosmas Kipngetich Korir	Chairperson
2	Nathan Ngetich	Secretary/ Fund manager
3	Wesley Kiprotich	Member
4	Anne Chepkemai	Member
5	Robert Kiprono Langat	Member
6	Haron Ngeno	Member
7	Diana Ngeno	Member
8	Isaac Kitur	Member

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

d) Key Management Team

Ref	Position	Name
1	Fund Administrator	Isaac Kitur
2	Fund Accountant	Geofrey Maritim
3	Senior Legal Counsel	Haron Ngeno
4	Head of Human Resource	Diana Ngeno
5	Fund Manager	Nathan Ngetich

e) Fiduciary Oversight Arrangements

- (i) Bomet Internal Audit Committee
- (ii) Bomet Assembly Public Account Investment Committee
- (iii) Senate Public Accounts and Investment committee

f) Registered Offices

P.O. Box 590-20400

Bomet County Assembly Headquarters

Bomet- Sotik Highway

Bomet, Kenya.

g) Fund Contacts

Telephone : (254) 712036036

E-mail: info@bometassembly.go.ke

Website: www.bometassembly.go.ke

h) Fund Bankers

- i. Central Bank of Kenya
Haile Selassie Avenue
P.O Box 60000
City square 00200
Nairobi, Kenya.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

- ii. Access Bank
Kipchamba Street
P.O Box 19828-00100
Bomet, Kenya.

- iii. Family Bank
Kipchamba Street
P.O Box
Bomet, Kenya

- iv. Co-operative Bank of Kenya
Kipchamba Street
P.O Box
Bomet Kenya

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
NAIROBI-KENYA

j) Principal Legal Adviser

General Counsel
County Assembly of Bomet
P.O. Box 590-20400
BOMET

3. Board of Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
 Cosmas Korir Fund Chairperson	Hon. Cosmas Korir is the 4th Speaker of the County Assembly of Bomet. He holds a Bachelor's Degree in Agribusiness Management from Egerton University and a Master's Degree in Agricultural Economics from the University of Kabianga. In his capacity as Speaker, he also serves as the Chairperson of the Loans Management Committee, providing strategic leadership and oversight in the administration of the Assembly's financial support programs. Born in 1982 in Bomet County, Hon. Korir is committed to fostering legislative excellence, promoting transparency, and advancing socio-economic growth within the county.
 Isaac Kitur Secretary of the Fund	Isaac Kitur has served as the Fund Administrator since 2017. He is the Accounting Officer of the County Assembly and Secretary to the Board. An Advocate of the High Court of Kenya with 24 years of legal practice, he is also a Certified Secretary, a member of the Institute of Directors, and the Law Society of Kenya. Mr. Kitur holds a Bachelor's Degree in Law and a Postgraduate Diploma in Legal Practice, complemented by extensive training in governance and strategic management. Born in 1971 in Nandi County, he brings a wealth of experience, integrity, and leadership to the Fund.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025



Wesley Kiprotich
Vice chairperson of the Fund
and MCA Chepchas.

Wesley Kiprotich serves as the Member of the County Assembly representing Chepchas Ward. He was elected by the Board as the Vice Chairperson of the Loans Committee. He holds a Bachelor's degree in Education Science and a Master of Science in Physics from Moi University. Born in 1983 in Bomet County, he brings academic excellence, leadership, and community commitment to his role.



Anne Chepkemai
Member of the Fund ,and MCA
Siloibwet Township.

Ann Chepkemai serves as a Member of the County Assembly representing Silibwet Township Ward. Born in 1976 in Bomet County, she holds a Certificate in Land Survey and Mapping from Siaya Institute of Technology. With her extensive expertise in land matters and surveying, she brings valuable technical insight and practical experience to the Assembly's legislative and development agenda.



Hon Rober Langat
Member of the Fund,MCA
Mutarakwa Ward

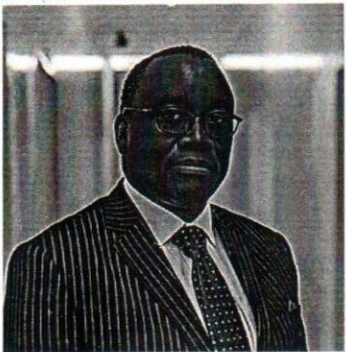
Robert Langat was appointed as a member of the Fund in 2022. He currently serves as the Member of the County Assembly (MCA) representing Mutarakwa Ward. He holds a Certificate in Water Engineering from the Kenya Water Institute, a Diploma in Public Relations, and a Bachelor of Science degree in Communications and Public Relations from Moi University. Born in 1979 in Bomet County, he brings a wealth of knowledge and experience to the Fund's operations.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

 Nathan Ngetich Fund Manager	Nathan Ngetich was appointed as the Fund Manager of the Bomet County Assembly Car Loan and Mortgage Fund in 2022. He holds a Bachelor's degree in Finance from Egerton University and possesses extensive knowledge in financial management. He was born in 1984 in Bomet County.
 Ms Diana Ngeno Member of the Fund ,and Head of Human Resources	Diana Ngeno was appointed as the Human Resource Officer of the Bomet County Assembly in 2014. She holds a Bachelor's degree in Human Resource Management from Moi University and possesses extensive expertise in human capital management. Her skills and experience make her an invaluable asset to the Fund's operations. She was born in 1986 in Bomet County.
 Mr Haron Ngeno Member of the Fund,and Director Legal Counsel.	Haron Ngeno was appointed the Legal Counsel of the Bomet County Assembly in 2014. He holds a Bachelor of Laws degree from Moi University and possesses extensive expertise in legal matters. Born in 1980 in Kericho County, he brings invaluable legal insight and guidance to the affairs of the Fund.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

4. Management Team

Name	Details of qualifications and experience
 Isaac Kitur Secretary of the Fund	Isaac Kitur has served as the Fund Administrator since 2017. He is the Accounting Officer of the County Assembly and Secretary to the Board. An Advocate of the High Court of Kenya with 24 years of legal practice, he is also a Certified Secretary, a member of the Institute of Directors, and the Law Society of Kenya. Mr. Kitur holds a Bachelor's Degree in Law and a Postgraduate Diploma in Legal Practice, complemented by extensive training in governance and strategic management. Born in 1971 in Nandi County, he brings a wealth of experience, integrity, and leadership to the Fund.
 Mr Geoffrey Maritim Director Financial Services and Fund Accountant	Geoffrey Maritim was appointed Fund Accountant in 2018 and currently serves as the Director of Financial Services at the Bomet County Assembly. He holds a Bachelor of Commerce degree in Finance from Kenyatta University and is a Certified Public Accountant of Kenya, CPA(K). With his expertise in financial management, he provides valuable guidance to the Committee on financial matters. Geoffrey was born in 1986 in Bomet County.
 Nathan Ngetich Fund Manager	Nathan Ngetich was appointed as the Fund Manager of the Bomet County Assembly Car Loan and Mortgage Fund in 2022. He holds a Bachelor's degree in Finance from Egerton University and possesses extensive knowledge in financial management. He was born in 1984 in Bomet County.

5. Fund Chairperson's Report

CHAIRPERSON'S REPORT

It is my pleasure, on behalf of the Board of Trustees, to present the Bomet County Assembly Car Loan and Mortgage Fund Financial Statements for the year ended 30th June 2025. These statements reflect the Fund's financial performance over the past year and highlight our continued commitment to prudent management and service delivery.

Sustainability

The Fund and its stakeholders continue to place strong emphasis on sustainability, both in terms of investments and in resource mobilization. Our primary objective remains to safeguard the Fund's going concern status by ensuring that financing structures are resilient, revenue streams are consistent, and governance practices are sound.

Fund Committee Changes

There were no changes to the composition of the Fund Administration Management Committee during the financial year. The continuity in leadership has provided stability and consistency in decision-making.

Review of Performance

Income

During the year, the Fund earned KShs 11,717,285 in revenues from other exchange transactions. Project implementation proceeded as planned, supported by the coordinated efforts of all stakeholders. Our performance was further strengthened by favorable exchequer releases amounting to KShs 25,000,000 during the year.

Expenditure

Total expenditure for the year included bank charges amounting to KShs 13,555. We maintained a lean cost structure to ensure that the maximum possible resources were directed toward the Fund's core mandate of providing affordable loans to members.

Future Outlook

The outlook for the year ending 30th June 2026 remains positive. The Fund is committed to building a robust and sustainable framework supported by an empowered workforce, efficient systems, and transparent governance. We aim to work closely with the County Assembly Service Board and the Budget Committee to secure additional allocations, enabling more staff and Members of the County Assembly to benefit from mortgages and car loans.

Appreciation

I extend my heartfelt gratitude to the County Assembly Service Board, the County Assembly, stakeholders, management, staff, and fellow Board members for their unwavering support and cooperation throughout the year. Your collective efforts have made our achievements possible. We look forward to your continued support in the 2025/2026 financial year as we strive to deliver even greater value to our members and stakeholders.

.....

COSMAS KORIR

CHAIRPERSON OF THE FUND

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6. Report of The Fund Administrator

It is with great pleasure that I present the financial statements of the Bomet County Assembly Car Loan and Mortgage Fund for the year ended 30th June 2025. These statements provide a comprehensive account of the Fund's financial performance and position over the past year, reflecting our commitment to transparency, accountability, and prudent financial management.

Financial Performance

a) Revenue.

For the financial year ended 30th June 2025, the Fund had set a revenue projection of KShs 62,000,000. Actual collections, comprising both revenues and interest income, amounted to KShs 36,717,285. This translated to a 98% performance rate against the annual target, indicating strong revenue realization during the year despite prevailing economic and operational challenges. A detailed breakdown and comparative analysis of the revenue streams is presented in the table below to facilitate further assessment of performance trends and resource mobilization efficiency.

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realization (%)
Revenue	KShs	KShs	
Public contributions and donations	-	-	
Transfers from County Govt.	50,000,000	25,000,000	50%
Interest income	12,000,000	11,717,285	98%
Fines, penalties and other levies	-	-	
Other income	-	-	-
Total income	62,000,000	36,717,285	59%

b) Loans

During the 2024/2025 financial year, the Fund successfully disbursed two new loans, increasing the cumulative number of beneficiaries to one hundred (110) and ten since inception. This continued growth reflects the Fund's commitment to empowering members through accessible and affordable financing.

Cash flows

In the financial year 2024/2025, the Fund received exchequer releases amounting to KShs 25,000,000. These funds were instrumental in enabling both the staff and Members of the County Assembly to access loan facilities, thereby supporting their financial needs in line with the Fund's objectives.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

c) Conclusion

In conclusion, the financial year 2024/2025 was marked by commendable progress and tangible results, with all members successfully acquiring properties and vehicles as per their applications, and the Fund earning interest income of Kshs 11,717,285 at the established rate of 3%. This performance has built strong momentum for continued growth and prosperity, while identified improvement areas will guide our strategic focus in the coming years. I extend my sincere appreciation to the Members of the Fund for their unwavering support, and to the dedicated staff whose commitment and collaboration have been instrumental in enabling the Bomet County Assembly Car Loan and Mortgage Fund to deliver on its mission.



ISAAC KITUR
FUND ADMINISTRATOR

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

7. Statement of Performance Against the County Fund's Predetermined Objectives

Guidance

The Fund's budget for the financial year ending 30th June 2025 was Kshs 62,000,000. This comprised Kshs 50,000,000 from transfers by government entities and Kshs 12,000,000 generated from interest income.

Introduction

In compliance with Section 164(2)(f) of the Public Finance Management Act, 2012, the Accounting Officer has prepared these financial statements for the Bomet County Assembly Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board. The statements include an assessment of the Fund's performance against its predetermined objectives.

As outlined in the Fund's Strategic Plan (2021–2027), the key development objectives are:

- a) To facilitate Members of the County Assembly and staff in acquiring vehicles to enhance mobility both within and outside the County.
- b) To support Members of the County Assembly and staff in obtaining suitable housing for decent and secure habitation.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage facilities to all members of staff	To ensure all staff have access to Mortgage facilities	Number mortgages successfully applied and approved	% of staff taking Mortgage facilities	During FY 2024/2025 three (2) Members of staff accessed the facility and were able build their own houses
Provision of car loan facilities to all members of staff	To ensure staff and MCAs move with ease to the offices.	Number of car loans successfully applied and approved	% of members taking the loan facility	Thirty-nine (39) Members of the County Assembly acquired new vehicles.

8. Corporate Governance Statement

THE FUND ADMINISTRATION COMMITTEE

The Bomet County Assembly Car Loan and Mortgage Fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) Circular No. SRC/TS/WH/3/14 dated 14th February 2014, and Section 167 of the Public Finance Management (PFM) Act, 2012. The Fund's core mandate is to provide car loans and mortgage facilities to eligible members of staff.

The Fund is firmly committed to upholding regulatory and supervisory corporate governance requirements. Central to this commitment is a formal governance framework, with the Fund Administration Committee serving as the apex decision-making body. This structure ensures that decisions are made in an informed, transparent, and accountable manner, supported by accurate reporting to the Board.

Meetings

During the financial year under review, the Committee convened a total of fifty-six (56) meetings. The primary agenda included deliberations on loan applications from members and ensuring compliance with the Fund's policies, regulations, and relevant statutory requirements.

Roles and Functions of the Fund Administration Committee
The Committee's primary functions included:

1. Recommending the conditions under which a car loan or mortgage shall be granted or repaid in accordance with the Fund's regulations.
2. Processing and evaluating applications for the granting of car loans and mortgages to eligible beneficiaries.
3. Supervising and overseeing the day-to-day operations of the Fund to ensure efficiency, accountability, and transparency.

Remuneration

The Committee operated as a subcommittee of the Board and members were remunerated in accordance with the applicable SRC circular on remuneration for board subcommittees.

Conflict of Interest

In adherence to best governance practices, any Committee member who was a beneficiary of a loan was required to make full disclosure during the process and recuse themselves from participating in deliberations or decisions regarding their application.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

9. Management Discussion and Analysis

Fund Performance and Risk Management Statement

The Fund has demonstrated consistent growth over the years, supported by robust management measures to safeguard against risks. Our operations face various financial risks—including credit and liquidity risks, as well as foreign currency fluctuations. The Fund's risk management framework prioritizes minimizing the impact of unpredictable business conditions by maintaining acceptable risk levels. Although the Fund does not hedge against risks, we extend credit only to staff with proven credit histories and enforce policies that uphold prudent financial management.

We remain fully compliant with statutory requirements, ensuring all deductions are remitted promptly to avoid penalties or interest arising from non-compliance.

BUSINESS PERFORMANCE

During the year ended 30 June 2025, the Fund demonstrated strong financial performance and prudent fiscal management.

Revenue

The Fund earned KShs 25,000,000 from county government transfers and generated KShs 11,717,285 in interest income.

Cash Flow

Cash and cash equivalents rose significantly from KShs 39,453,150 as at 30 June 2024 to KShs 86,736,974.19 at year-end, reflecting improved liquidity and resource mobilization.

Budget Performance

The approved budget for the year was KShs 62,000,000, comprising KShs 50,000,000 in transfers from government entities and KShs 12,000,000 from interest income. Actual revenue realized stood at KShs 36,717,285

Expenditure

The Fund incurred total expenditure of KShs 13,555 against an actual budget provision of KShs 20,000, underscoring efficient cost control.

Financial Position

As at 30 June 2025, the Fund's total net assets and liabilities stood at KShs 505,335,311 positioning it for continued stability and growth.

OPERATIONAL PERFORMANCE

The Fund's core mandate is to provide car loans and mortgages to Members of the County Assembly and staff. Through disciplined financial management, we continue to deliver on this mandate while maintaining the Fund's long-term sustainability.

10. Environmental and Sustainability Reporting

1. Sustainability Strategy and Profile

Over the past eight years, the Fund's budget has steadily grown. To ensure long-term viability, the Fund is transitioning to a fully self-sustaining model, with no further capital injections. Funds will revolve internally, strengthening financial independence and resilience.

2. Environmental Performance

On 24th May 2023, the County Assembly adopted the Committee on Energy, Environment, Water and Natural Resources' report on the Bomet County Climate Change Action Plan 2022–2026. Its implementation will be instrumental in addressing climate change challenges and mitigating their effects.

3. Employee Welfare

- A comprehensive Human Resource and Procedures Manual has been developed to guide all aspects of human capital management.
- The adoption of performance appraisal systems by the County Assembly Service Board has enhanced fair assessment and reward mechanisms.
- Career Progression Guidelines have been approved and implemented, promoting structured career growth for staff.

4. Marketplace Practices

a) Responsible Supply Chain and Supplier Relations

The County Assembly upholds fair competition in procurement, with deliberate measures to empower special interest groups — persons with disabilities, women, and youth — who are allocated 30% of procurement opportunities in line with AGPO requirements. Additional initiatives include advertising tenders through websites and print media for wider reach, and continuous supplier registration.

b) Responsible Ethical Practices

- c) The Whistleblowing Policy remains a critical tool in detecting and addressing unethical practices within the Assembly.

d) Community Engagement

Through its various committees, the County Assembly actively participates in community initiatives, fostering inclusive engagement and shared development.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

11. Report of The Trustees

The trustee submits their reports together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs

Principal Activities

The principal activity of the fund is to provide financing to the members of the County Assembly and staff for mortgage financing and purchase of cars for personal use

Trustees

The members of the board of Trustees who served during the year are shown on page vii and viii

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. which empowers the Auditor General to appoint an auditor to audit on his behalf

By order of the Board



Nathan Ngetich
Member of the Board

12. 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 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, 2025. 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 Public Finance Management Act, 2012 and Bomet County Assembly Car loan and Mortgage Fund Regulation 2022. 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, 2025, 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 20.08.2025 and signed on its behalf by:



Isaac K Kitur

Administrator of the County Assembly Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000

Email: 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 BOMET COUNTY ASSEMBLY CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Bomet County Assembly Car Loan and Mortgage Fund set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

Report of the Auditor-General on Bomet County Assembly Car Loan and Mortgage Fund for the year ended 30 June, 2025

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, the financial statements present fairly, in all material respects, the financial position of Bomet County Assembly Car Loan and Mortgage Fund as at 30 June, 2025 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 Public Finance Management (Bomet County Assembly Car Loan and Mortgage Fund) Regulations, 2022 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bomet County Assembly Car and Mortgage Fund Management in accordance with ISSAI 130 on the 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 opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit reports of the previous year, five(5) issues were raised under the Report on the Financial Statements, Emphasis of Matter ,Other Matter and Report on Lawfulness and Effectiveness in the Use of Public resources as shown in **Annexure I**. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Other Information

Management is responsible for the Other Information set out on page iii to xix which comprise of Key Entity Information and Management, The Board of Trustees, Management Team, Fund Chairperson's Report, Statement of Performance Against Predetermined County Fund's Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees, and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

Lack of Comprehensive Motor Vehicle Insurance

Review of records revealed that nine beneficiaries were advanced car loans amounting to Kshs.23,200,000. However, the acquired motor vehicles were not comprehensively insured. This was contrary to Regulation 22(1) of the Public Finance Management (Bomet County Assembly Car Loan and Mortgage Fund) Regulations 2022 which states that a borrower shall comprehensively ensure any vehicle purchased through the Fund and shall maintain a comprehensive motor car insurance policy with an insurance company approved by the committee.

In the circumstance, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 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 controls, risk Management and overall 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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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 Management 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 November, 2025

Annexure I

Unresolved Prior Year Audit Matters

REPORT ON THE FINANCIAL STATEMENTS

Unsupported Proceeds from Loan Principal Repayments

The statement of cash flows reflects proceeds from loan principal repayments totalling Kshs.33,774,662. However, the amount was not supported by loan repayment schedule for each beneficiary and payroll by-products.

In the circumstance, the accuracy and completeness of proceeds from loan principal repayments totalling Kshs.33,774,662 could not be confirmed.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final total income budget and actual on comparable basis amounting to Kshs.13,000,000 and Kshs.12,251,048 respectively, resulting to underfunding of Kshs.748,952 or six percent (6%) of budget. Further, the statement reflects total expenditure actual on comparable basis amounting to Kshs.20,593 resulting to under expenditure of Kshs.12,979,407 of budget.

In addition, the statement reflects final total income and expenditure budget amounting to Kshs.13,000,000 and Kshs.40,000 resulting in unbalanced budget by Kshs.12,960,000. This was contrary to Regulation 31 (c) of the Public Finance Management (County Governments) Regulations, 2015 which requires budget revenue and expenditure appropriations to be balanced.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on the delivery of services to the Members and Staff of County Assembly of Bomet.

Other Matter

Unresolved Prior Year Audit Matters

In the audit reports of previous year, five (5) issues were raised under the Report on Financial Statements, Other Matter, and Report on Lawfulness and Effectiveness in use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the standards prescribed by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

1. Lack of Comprehensive Motor Insurance

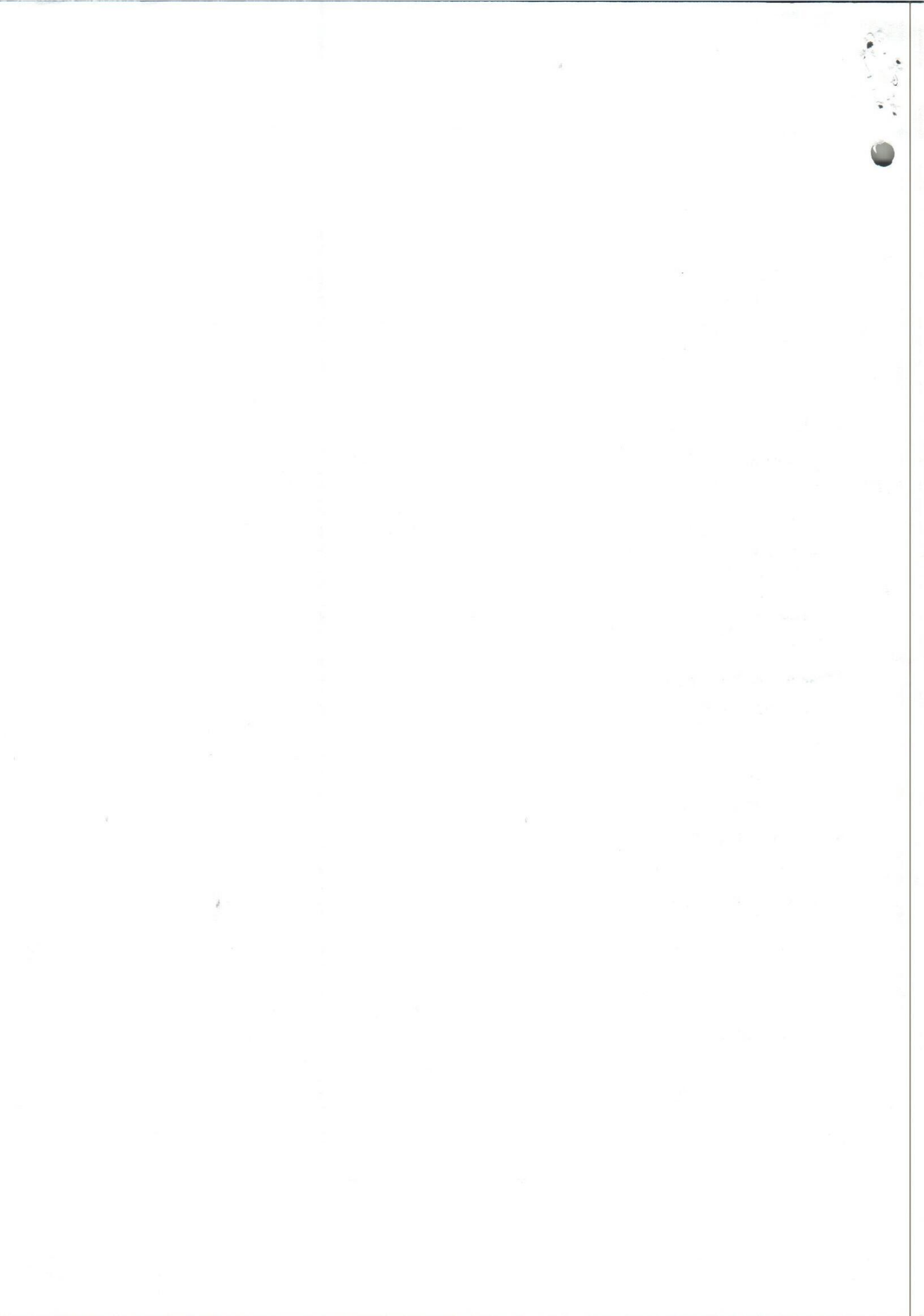
Review of records revealed that motor vehicles acquired through loans granted to members did not have comprehensive insurance policies contrary to Regulation 22 (1) of the Public Finance Management (Bomet County Assembly Car Loan and Mortgage Fund) Regulations 2022 which requires a borrower to comprehensively insure any vehicle purchased through the Fund. This exposes the Fund to possible loss of public funds in case of any unforeseen occurrence.

In the circumstance, Management was in breach of the law.

2. Lack of an Approved Budget

Review of records revealed that Fund operated without an approved budget in the year under review. The budgetary requirements of the Fund were incorporated in the County Assembly's budget. This was contrary to Regulation 31 (5) of the Public Finance Management (Bomet County Assembly Car Loan and Mortgage Fund) Regulations, 2022 which states that all payments made from the Fund shall be on the basis of the approved annual budget.

In the circumstances, Management was in breach of the law.

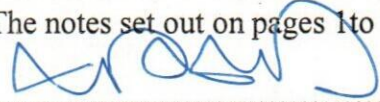


Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

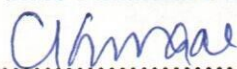
14. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	-	-
Fines, Penalties and Other Levies	8	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	9	11,717,285	12,251,048
Other Income	10	-	-
		-	-
Total Revenue		11,717,285	12,251,048
Expenses			
Employee Costs	11	-	-
Use of goods and services	12	-	-
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	13,555	20,593
Total Expenses		13,555	20,593
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		11,703,730	12,230,455

The notes set out on pages 1 to 2 form an integral part of these Financial Statements



Isaac Kiplangat Kitur
 Administrator of the Fund



Geoffrey Maritim
 Fund Accountant
 ICPAK Member Number: 12685

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

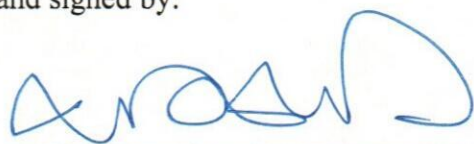
15. Statement of Financial Position As at 30 June 2025

Description	Note	FY2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	86,736,974	39,453,151
Current Portion of Long- Term Receivables from Exchange Transactions	18	62,614,444	62,393,557
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
Total current assets		149,351,418	101,846,708
Non-Current Assets			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	355,983,893	366,784,873
Investment Property	24	-	-
Total non- current assets		-	-
Total Assets (A)		505,335,311	468,631,581
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	-	-
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	Note	FY2024-2025	FY 2023-2024
		Kshs	Kshs
Total Liabilities (B)		-	-
Net Assets (A-B)		-	-
Represented By:			
Revolving Fund		460,610,000	435,610,000
Reserves		-	-
Accumulated Surplus		44,725,311	33,021,581
Net Assets		505,335,311	468,631,581

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 20/08/2025 and signed by:



.....
Isaac Kiplangat Kitur
Administrator of the Fund



.....
Geoffrey Maritim
Fund Accountant
ICPAK Member Number: 12685

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluati on Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	380,500,000	-	20,791,126	401,291,126
Surplus/(Deficit) For the Period	-	-	12,230,455	12,230,455
Funds Received During the Year	55,110,000	-		55,110,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	435,610,000	-	33,021,581	468,631,581
Balance As At 1 July 2024	435,610,000	-	33,021,581	468,631,581
Surplus/(Deficit) For the Period		-	11,703,730	11,703,730
Funds Received During the Year	25,000,000	-	-	25,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	460,610,000	-	44,725,311	505,335,311

.....
Isaac Kiplangat Kitur
Administrator of the Fund

.....
Geofrey Maritim
Fund Accountant
ICPAK Member Number: 12685

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		11,717,285	12,251,048
Receipts from other operating activities		-	-
Total receipts		11,717,285	12,251,048
Payments			
Fund administration expenses		-	-
General expenses		-	-
Finance cost		13,555	20,593
Other payments		-	-
Net cash flows from operating activities	30	11,703,730	12,230,455
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		62,825,514	33,774,662
Loan disbursements paid out		-52,245,422	-97,996,442
Net cash flows used in investing activities		10,580,093	64,221,780
Cash flows from financing activities			
Proceeds from revolving fund receipts		25,000,000	55,110,000
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		25,000,000	55,110,000
Net increase/(decrease) in cash & cash Equivalents		47,283,823	3,118,675
Cash and cash equivalents at 1 July 2024	17	39,453,151	36,334,476
Cash and cash equivalents at 30 June 2025	17	86,736,974	39,453,151

**Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

18. Statement of Comparison of Budget and Actual Amounts for The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	-	--	-	-	-
Receipts						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.						
Interest Income	12,000,000	-	12,000,000	11,717,285	282,715	98%
Other Income	-	-	-	-	-	-
Total Income	12,000,000	-	12,000,000	11,717,285	282,715	98%
Expenses						
Fund Administration Expenses	-	-	-	-	-	-
General Expenses	-	-	-	-	-	-
Finance Cost	20,000	-	20,000	13,555	6,445	67%
Total Expenditure	20,000	-	20,000	13,555	6,445	67%
Capital expenditure	-	-	-	-	-	
Surplus For the Period	11,980,000	-	11,980,000	11,703,730	276,270	98%

**Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	-

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Bomet County Assembly Fund is established by and derives its authority and accountability from Public Finance and Management Act 2012. The Fund is wholly owned by the Bomet County Assembly and is domiciled in Kenya. The entity's principal activity is to offer loans to members for acquisition of cars and houses.

2. 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.

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

There were no new and amended standards issued in the financial year.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

Bomet County Assembly Car Loan and Mortgage Fund
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Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.

Bomet County Assembly Car Loan and Mortgage Fund
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IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

4. Summary of Significant Accounting Policies

a) 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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly on 30 June 2024. 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 did not record any additional appropriations on the FY 2024-25 budget following the County Assembly'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.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification 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 actuals as per the statement of financial cash flows has been presented.

c) 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.

a) 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.

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) 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.

e) 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.

f) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognizes a social benefit as an expense for the social benefit Fund at the same time that it recognizes a liability. The liability for the social benefit Fund is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

g) 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.

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.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

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.

i) 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.

Bomet County Assembly Car Loan and Mortgage Fund
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Summary of Significant Accounting Policies (Continued)

j) 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.

k) 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.

l) 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.

m) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

n) Comparative figures

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

Bomet County Assembly Car Loan and Mortgage Fund
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Summary of Significant Accounting Policies (Continued)

5. 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 e.g.

a) 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.

b) 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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

(Include provisions applicable for your organization e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

Bomet County Assembly Car Loan and Mortgage Fund
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Notes To the Financial Statements Continued

6. Public contributions and donations

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

7. Transfers from County Government

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County on Behalf of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

8. Fines, penalties and other levies

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

9. Interest income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Income from Mortgage Loans & Car loans	11,717,285	12,251,048
Interest Income from Investments in financial assets	-	-
Interest Income on Bank Deposits	-	-
Total Interest Income	11,717,285	12,251,048

Bomet County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

10. Other income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

11. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Total	-	-

12. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-

Bomet County Assembly Car Loan and Mortgage Fund
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Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other	-	-
Social benefit expenses*	-	-
Total	-	-

13. Depreciation and Amortization Expenses

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

14. Finance costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Bank Charges	13,555	20,593
Total	13,555	20,593

Bomet County Assembly Car Loan and Mortgage Fund
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15. Gain/(loss) on disposal of assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

16. Gain/ (loss) on Fair Value Investments

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

17. Cash and cash equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Access Bank	24,029,196	40,955
Family Bank Car Loan	128,801	128,801
Family Bank Mortgage	152,167	152,167
Co-operative Bank Fund	62,426,810	39,131,228
Current Account	-	-
Total Cash and Cash Equivalents	86,736,974	39,453,151

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Fund Account			
Access Bank	0170130000003	24,029,195.69	40,954.69
Sub- Total			
b) Car Loan			
Family Bank	084000024314	128,801	128,801
Sub- Total			
c) Mortgage			
Family Bank	084000024313	152,167	152,167
Sub- Total			
d) Car and Mortgage			
Co-operative Bank Fund Account	01103583678002	62,426,810	39,131,228
Sub – Total			
Grand Total		86,736,974	39,453,151

18. Receivables from exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	62,614,444	62,393,557
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	62,614,444	62,393,557
Non-Current Receivables		
Long Term Loan Repayments Due	355,983,893	366,784,873
Total Non- Current Receivables	355,983,893	366,784,873
Total Receivables from Exchange Transactions	418,598,337	429,178,430

Bomet County Assembly Car Loan and Mortgage Fund
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Additional disclosure on interest receivable

Description	FY 2024-2025	FY 2023-2024
	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	-	-

19. Prepayments

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

20. Inventories

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts and Meters	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories	-	-

Detailed disclosure on inventories

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	FY 2024-2025	FY 2023-2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

21. Investments in financial assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where	No of shares	Nominal value of shares	Fair value of shares	Fair value of shares

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investment is held	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**Bomet County Assembly Car Loan and Mortgage Fund
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22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		X% Kshs	X% Kshs	X% Kshs	X% Kshs	Kshs
At 1st July (Previous FY)	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-	-
At 1st July (Current FY)						
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-	-
Depreciation And Impairment						
At 1st July (Previous FY)	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-	-
At 1st July (Current FY)						
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-

**Bomet County Assembly Car Loan and Mortgage Fund
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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		X%	X%	X%	X%	
At 30th June (Current FY)	-	-	-	-	-	-
Net Book Values						
At 30th June (Previous FY)	-	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-	-

Bomet County Assembly Car Loan and Mortgage Fund
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23. Intangible assets

Description	FY 2024-2025	FY 2023-2024
	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	-	-

24. Investment Property

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

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25. Trade and other payables from exchange transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	-	-	-

26. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

Bomet County Assembly Car Loan and Mortgage Fund
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27. Borrowings

Description	FY 2024-2025	FY 2023-2024
	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 Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z 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	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

Bomet County Assembly Car Loan and Mortgage Fund
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28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Health social benefit Fund	-	-
Unemployment social benefit Fund	-	-
Orphaned and vulnerable benefit Fund	-	-
Elderly social benefit Fund	-	-
Bursary social benefits	-	-
Total	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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30. Cash generated from operations.

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortization	-	-
Gains/ Losses on Disposal of Assets	-	-
Interest Income	11,717,285	12,251,048
Finance Cost	13,555	20,593
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	11,703,730	12,230,455

Bomet County Assembly Car Loan and Mortgage Fund
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31. 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 is related to the following entities:

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

b) Related party transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

32. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

Bomet County Assembly Car Loan and Mortgage Fund
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33. 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 minimize 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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has no significant concentration of credit risk.

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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June (Comparative FY)				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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.

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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 optimizing 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:

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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.

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Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
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 endeavored to bank with institutions that offer favorable 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 of Kshs xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax.

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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:

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ (excess cash and cash equivalents)	-	-
Gearing	-	-

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The entity is a County Public Fund established by Bomet County Assembly Public Finance Management Regulation 2022. Its ultimate parent is the County Government of Bomet

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported Proceeds from Loan Principal Repayments The statement of cash flows reflects proceeds from loan principal repayments totaling Kshs. 33,774,662. However, the amount was not supported by loan repayment schedule for each beneficiary and payroll by-products. In the circumstance, the accuracy and completeness of proceeds from loan principal repayments totaling Kshs. 33,774,662 could not be confirmed.	The principal repayment of Kshs 33,774,662, which are proceeds of loans taken by our staff and Members of the County Assembly, are deducted via HRIS systems and remitted to the Fund account. This amount is fully supported by schedules and payroll by-product,	Resolved	
2	Lack of Comprehensive Motor Insurance Review of records revealed that motor vehicles acquired through loans granted to members did not	The borrowers need to comprehensively insure their vehicles purchased through the Fund. The borrowers who are Members of County Assembly insured their vehicles but failed to	Not Resolved	Ongoing

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	have comprehensive insurance policies contrary to Regulation 22(1) of the Public Finance Management (Bomet County Assembly Car Loan and Mortgage Fund) Regulations 2022 which requires a borrower to comprehensively insure any vehicle purchased through the Fund. This exposes the Fund to possible loss of public funds in case of any unforeseen occurrence. In the circumstance, Management was in breach of the law	deposit copies of the insurance to prove they that their vehicles are insured. With the support of the leadership, we are going to mobilize so that copies are availed to the administrator of the Fund.		
3	Lack of an Approved Budget Review of records revealed that Fund operated without an approved budget in the year under review. The budgetary requirements of the Fund were incorporated in the County Assembly's budget. This was contrary to	The budget of the Fund was approved by Fund Administrative Committee on 28th June 2023	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Regulation 31 (5) of the Public Finance Management (Bomet County Assembly Car Loan and Mortgage Fund) Regulations 2022 which states that all payments made from the Fund shall be on the basis of the approved annual budget. In the circumstances, Management was in breach of the law			


Fund Manager

Date... 27/10/2025

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Annex II: Inter-Fund Confirmation Letter



**BOMET COUNTY ASSEMBLY FUND
P.O.BOX 590-20400-BOMET**

The Bomet County Assembly Fund wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 2025			Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	
FT251788RT3R	27.06.2025	24,000,000	-	-	24,000,000	-
FT25122CHG8V	02.05.2025	200,000	-	-	200,000	-
FT243412TTHH	06.12.2024	800,000	-	-	800,000	-
Total		25,000,000			25,000,000	

Bomet County Assembly Car Loan and Mortgage Fund

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name..... Geo. Fey M.A./I.M. Sign..... Chivwa.

