BUNGOMA COUNTY DISASTER AND EMERGENCY MANAGEMENT FUND

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

JUNE 30, 2025

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

Table of Content

1. Acronyms and Definition of Key Terms ii
2. Key Entity Information and Management iii
3. Fund Administration Committee vi
4. Key Management Team ix
5. Management Discussion and Analysis xi
6. Statement of Management's Responsibilities xii
7. Statement of Financial Performanceforthe Period Ended 31st March 2025 1
8. Statement of Financial Position as at 31stMarch 2025 2
9. Statement of Changes in Net Assets for the period ended 31stMarch 2025 3
10. Statement of Cash FlowsforthePeriod Ended 31st March2025 4
11. Statement Of Comparison Of Budget And Actual Amounts For The Period 5
12. Notes to the Financial Statements 6
13. Annexes 18

1. Acronyms and Definition of Key Terms

a) Acronyms

BOM	Board of Management
CECM	County Executive Committee Member
CPA	Certified Public Accountant
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board

b) Definition of Key Terms

Fiduciary Management: The key management personnel who had financial responsibility.

2. Key Entity Information and Management

a) Background information

The Bungoma County Disaster and Emergency Management Fund was established by and derive its authority and accountability from the Bungoma Disaster and Emergency Management Fund Regulations, 2021 of Kenya. The Bungoma Disaster and Emergency Management Fund committee responsible for the general policy and strategic direction of the Fund. The day-to-day running of the Fund is by the Fund Administrator. The Fund is wholly owned by the County Government of Bungoma, supervised by the County Department of Finance and Economic Planning and is domiciled in Kenya.

b) Principal Activities

The principal activity of the Fund as provided for under Sec. 110 of the Public Financial Management Act, 2012 is to enable payments to be made in respect of the County Government when an urgent and unforeseen need of expenditure arises for which there is no specific legislative authority.

c) Fund Administration Committee

Ref	Name	Position
1	Ms. Caren Nasimiyu Wanyonyi	Chairperson
2	CPA Ambrose Makokha	Secretary
3	Dr. Ruth AtidahMitalo	Member
4	Mr. Justus Masika Khisa	Member
5	Mr. Francis E. Kooli	Member
6	Mr. David Barasa Kibiti	Member
7	Mr. Geoffrey Simiyu Wafula	Member
8	Ms. Margaret Achieng Wanyonyi	Member
9	Mr. Robert J. Simiyu	Member
10	Ms. Christine Wafula Chacha	Member

d) Key Management Team

Ref	Position	Name
1	Fund Administrator -CECM Finance	CPA Chrispinus Barasa
2	*Chief Officer, Finance*	Mr. Robert Simiyu Juma
3	Fund Accountant	CPA Oliver wekesa wafula
4	Secretary	CPA Ambrose Makokha

e) Fiduciary Oversight Arrangements

The Fund has a fiduciary oversight framework themed on combined assurance that encompass;

i) Fund Administration Committee

The Committee provides the overall oversight responsibility on performance management as provided in Reg. 9 of the Bungoma County Disaster and Emergency Management Fund Regulations, 2021.

ii) County Internal Audit Committee

The Bungoma County Executive Internal Audit Committee oversights the Fund through the various reports and topical matters escalated by the County Directorate of Internal Audit to the Committee. During the period under review, the Committee was composed of;

S No.	Name	Membership
1.	Ruth Charity Wanyonyi	Chairperson
2.	CPA Brian M Makokha	Secretary
3.	Everett Wafula Situma	Member
4.	Kamos Simon Ndiwa	Member
5.	Murumbi Khaoya William	Member
6.	CPA.Ambrose Makokha	Member
7	Alice Nanjala Wafula	Member

iii) County Assembly Committee

The Fund is over sighted by two Committees at the County Assembly;

a. Public Accounts and Investments Committee

The Committee interrogates published reports from the Office of the Auditor General.

b. Finance Committee

The Committee interrogates other topical issues in relation to the Fund that are escalated to the County Assembly.

f) Registered Offices

County Government Bungoma
Municipal Building, Bungoma Town
P.O.B ox 437-50200
BUNGOMA

g) Fund Contacts

Telephone: 0728 039 039
E-mail: bungomacountygovernment@gmail.com
Website: www.bungoma.go.ke

h) Fund Bankers

1. Central Bank of Kenya
   Haile Selassie Avenue
   P.O. Box 60000
   City Square 00200
   Nairobi, Kenya

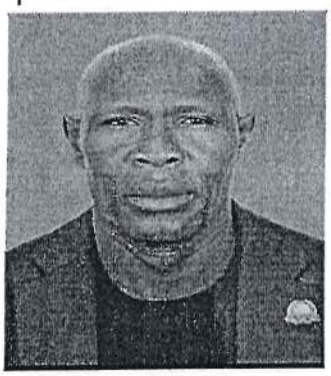
2. Kenya Commercial Bank
   P.O Box 201-50200
   Bungoma, Kenya

i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

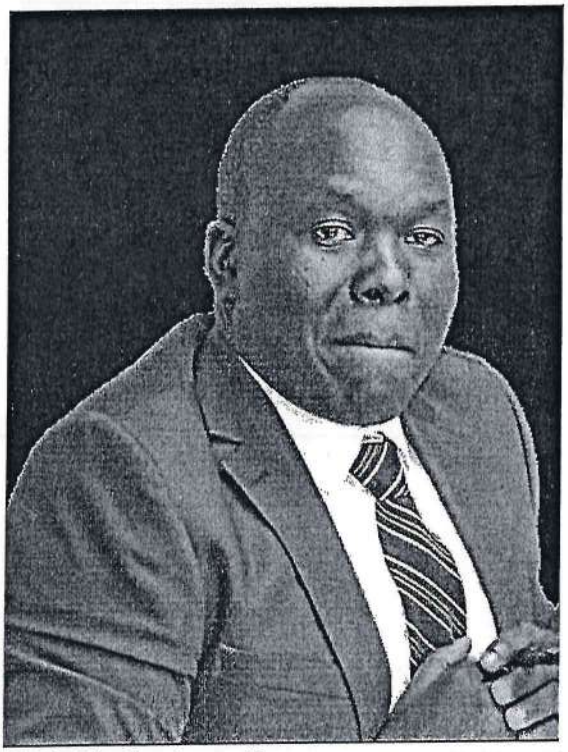
3. Fund Administration Committee

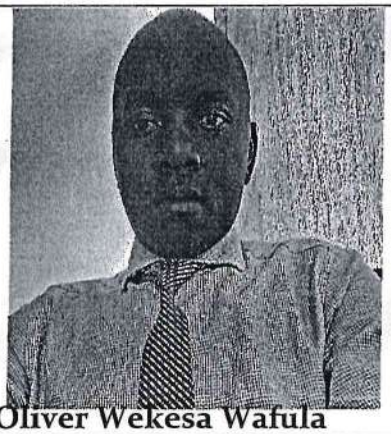
Name	Details of Qualifications and Experience
1. Chairperson  **Ms. Caren Nasimiyu Wanyonyi**	DOB:16/07/1990 Bachelor of Theology Jacksonville Baptist Theological Seminary FL,USA Diploma in Clinical Medicine and surgery-Kenya Medical Training College Eldoret. Certificate in Leadership and management in Health-University of Washington (USA) Currently Ongoing-Bachelor of Arts International relations and Diplomacy UON Work Experience: Worked as: 1. The Company Registered Clinical Officer for PJ Dave Flower Company, Kajiado. (1period) 2. Director at The Karen Medical Centre Nairobi (21/2periods 3. Hospital Administrator for Kory Group of Hospitals, Bungoma (3periods 1 month) 4. Registered Clinical Officer, Paediatric unit and Accident and Emergency department at Bungoma County Referral Hospital(3periods) 5.Current-Director Special Programmes Office of the Governor Bungoma County (from October 2022 to date)
2. Secretary  **CPA Ambrose Makokha**	CPA Ambrose Makokha was born on 2nd August, 1984. He is a graduate of Masters in Finance and currently pursuing a PhD in Finance. He has over 16 periods' experience in public sector financial management. Before. Joining the county government of Bungoma in 2015, he served as the District Accountant and later Finance manager at lake Basin. Appointed as director Revenue in 2015 where he served until August 2022.He is currently the Director Accounting Services.
3. Member  **Mr. David Barasa Kibiti**	D.O.B 20/02/1962 Education: Master of Education Kibabii University Work Experience: Former chief officer Public service management & Admin Current: C.E.O Chwele kukufarm Enterprise (Agribiz value chains) Director KNCCI Member CDEC-BGM

4. Member  **Mr. Francis E. Kooli**	DoB; 21.11.1970 Education: Form IV Work experience: 30 periods' experience Current: County Police Commander Bungoma. Member CDEC.
5. Member  **Dr. Ruth Atidah Mitalo**	DoB: 15.08.1980 PhD HRM UoN, MBA HRM UoN, BBA KEMU CPS (K), CHRP (K) Work experience: Worked as Human Resource Manager, Multimedia University of Kenya, Current work experience: Registrar Administration and HR, Kibabii University
6. Member  **Mr. Justus Masika Khisa**	D.O.B: 4th November 1975 Education: Diploma in sales and marketing, diploma in Theology Work experience: salesman Blue Triangle cement. Pastor, The Church of God for all Nations. Current: Bishop, The Church of God for all Nations. Member CDEC.
7. Member  **Mrs. Margaret Achieng Wanyonyi**	D.O.B:24/6/1986 Education: BA community health/health system Management Previous position: GBV officer/Gender inclusion coordinator Current: County coordinator/GBV officer Kenya Red cross Bungoma.

8. Member  **Mr. Geoffrey Wafula**	DOB: 18-08-1973 Education: BSc. Fin- USIU. CPA Sec III Work exp: Served as Accountant/Fund Admin. CDE. Currently: Accountant, Member of CDEC
9. Member  **Mrs. Christine Wafula Chacha**	DOB: 30-04-1974 Education: PGDE(KU), BCOM(India) Work exp: Administration, Teaching. Current: National Government Administrative Officer as Senior Assistant County Commissioner.
10. Chief Officer, Finance  **Mr. Robert Juma Simiyu**	Education: PGDE at KU, BSC, Masters in Planning Work exp: He worked as District Lands Officer in UasinGishu, Robert has worked as a Chief Officer in the ministries of Lands and Health. He also worked as a deputy Director Lands Administration in the Ministry of Lands and Physical Planning. He is currently the chief Officer in the ministry Finance.

4. Key Management Team

Name	Details of qualifications and experience
 **CPA Chrispinus Barasa**	CPA Chrispinus Barasa is currently the County Executive Committee Member for Finance and Economic Planning for County Government of Bungoma. He has over a decade of experience in Matters of Finance and Project Management. He started his professional career as an Accountant of the fast growing Ng'arisha SACCO and rose through the ranks to the appointment as the Chief Executive Officer from October 2010 to April 2014. Between April 2014 to October 2019 he served as County Chief Officer in charge of Finance and Economic Planning, Bungoma County Government. He has also served as a Finance manager at Friends Lugulu Mission Hospital between Oct 2021 to August 2022. Chrispinus Barasa is currently Pursing PhD in Project Planning and Management (Project Financing), University of Nairobi. In 2014 he acquired a Master of Arts in Project Planning and Management, University of Nairobi. He is a graduate of Kenyatta University with a degree in Bachelor of Commerce (Accounting Option) between 2001 and 2005. He joined St. Mary's Sosio Secondary School in 1996 and sat for his KCSE in 1999.
 **Mr. Robert Juma Simiyu**	Education: PGDE at KU, BSC, Masters in Planning Work exp: He worked as District Lands Officer in UasinGishu, Robert has worked as a Chief Officer in the ministries of Lands and Health. He also worked as a deputy Director Lands Administration in the Ministry of Lands and Physical Planning. He is currently the chief Officer in the ministry Finance.

 **CPA.Oliver Wekesa Wafula**	CPA. Oliver Wekesa Wafula holds a Bachelor of Business Management, Accounting Option from Moi University and CPA (K).He is a member of the Institute of Certified Public Accountants of Kenya in good standing.

5. Management Discussion and Analysis

The fund has continued to grow over the periods and the management has put measures in place to safeguard against risks. The fund's activities are exposed it to a variety of financial risks including credit and liquidity risks. The Fund's overall risk management programme focuses on unpredictability of changes in business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that emergency activities are funded.

The management has ensured compliance with statutory requirements relating to the functions of the fund and also makes sure that statutory deductions are remitted on time to avoid incurring penalties and interests for non-compliance.

PERFORMANCE

Revenue

The Fund annual budget was Kshs. 100,000,000 that is to be financed by the County Government. At the end of the reporting period, the fund did not receive any contributions or donations for the period under review.

Cash flow

The cash and cash equivalents decreased from Kshs. 10,615,476 as at 30th June 2024 to Kshs.10, 614,284.13 as at 30th June, 2025.

Operational Performance

The fund's core operating activities is to respond to emergency as they arise within the county as identified within line ministries in consultation with the board committee.

Conclusion

We appreciate the unrelenting support from the board of trustees, management, staff, the county government, development partners and all the key stakeholders. We look forward to the continued partnerships and cooperation in areas of mutual interest in the FY 2024/2025.

6. Statement of Management's Responsibilities

Section 168 of the Public Finance Management Act, 2012 requires that, at the end of each financial period, the Administrator of a County 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 Emergency 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 period ended on March 31, 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 Emergency Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 *the Bungoma County Legislative Supplement No. 1.* 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 period 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 Emergency Fund has assessed the Fund's ability to continue as a going concern and disclosed as applicable. 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 Committee on _____ 2025 and signed on its behalf by:

.....

Fund Administrator

7. Statement of Financial Performance for the Period Ended 30th June 2025.

Description	Note	Period ended June 2025	FY2023/2024
		ksh	ksh
Revenue from non-exchange transactions			
Transfers from the County Government	6	92,791,739	10,000,000
Payments by County on behalf of the Fund			
Total revenue		92,791,739	10,000,000
Expenses			
Emergency Expenses	7	-	9,645,000
Use of goods	8	3,106,518	2,054,335
Deprieciation and Amortization	9	9,916,559	6,887,112
Total expenses		13,023,077	18,586,446
Surplus/(deficit) for the period		79,768,662	(8,586,446)

.....
Name: Robert Simiyu
Fund Administrator
Date:

.....
Name: Oliver Wekesa
Fund Accountant
ICPAK Member Number: 22122
Date:

8. Statement of Financial Position as at 30th June 2025

Description	Note	Period ended June 2025	FY2023/2024
		ksh	ksh
Assets			
Current assets			
Cash and cash equivalents	10	365,961	10,615,475
Imprests	10b	10,107,956	-
		10,473,917	10,615,475
Non-current assets			
Property, plant and equipment	11	332,704,988	252,794,767
Total assets		343,178,905	263,410,242
Net assets			
Accumulated surplus		343,178,905	263,410,242
Total net assets and liabilities		343,178,905	263,410,242

.....
Name:
Fund Administrator
Date:

.....
Name:
Fund Accountant
ICPAK Member Number:
Date:

9. Statement of Changes in Net Assets for the period ended 30th June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance as at the beginning of current period ending June 2023	-	-	271,996,688.75	271,996,688.75
Surplus/(Deficit) For the Period	-	-	- 8,586,446.47	- 8,586,446.47
Funds Received During the period	-	-	-	-
Balance as at the end of Current period ending June 2024	-	-	263,410,242.28	263,410,242.28
Balance as at the beginning of current period ending July 2024	-	-	263,410,243.03	263,410,243.03
Surplus/(Deficit) For the Period	-	-	79,768,662.33	79,768,662.33
Funds Received During the period	-	-	-	-
Balance as at the end of Current period ending JUne 2025	-	-	343,178,905.36	343,178,905.36

10. Statement of Cash Flows for the Period Ended 30th June 2025

DESCRIPTION	Note	Period ended June 2025	FY2023/2024
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		92,791,739	10,000,000
Total Receipts		92,791,739	10,000,000
Payments			
Emergency Expenses			9,645,000
Use of Goods		3,106,518	2,054,335
Total Payments		3,106,518	11,699,335
Net cash flows from operating activities	12	89,685,221	- 1,699,335
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	11	(89,826,780)	(46,367,128)
Net cash flows used in investing activities		(89,826,780)	(46,367,128)
Net increase/(decrease) in cash and cash equivalents		(141,559)	(48,066,463)
Cash and cash equivalents at 1 JULY	10	10,615,476	58,681,939
Cash and cash equivalents at 30th june 2025	10	10,473,917	10,615,476

11. Statement of Comparison Of Budget And Actual Amounts For The Period Ended 30th June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	KShs	KShs	KShs	KShs	KShs	KShs
Revenue	**KShs**	**KShs**	**KShs**	**KShs**	**KShs**	
Budget carryovers from the p	-	355,038.20	355,038.20	355,038.20	-	100%
Transfers from County Govt.	100,000,000	-	100,000,000	92,791,739	7,208,261	93%
Total income	**100,000,000**	**355,038**	**100,355,038**	**92,791,739**	**7,563,299**	**92%**
Expenses						
Use of Goods	3,000,000	355,038	3,355,038	3,106,518	248,520	93%
Total expenditure	**3,000,000**	**355,038**	**3,355,038**	**3,106,518**	**248,520**	**93%**
Surplus for the period	**97,000,000**	-	**97,000,000**	**89,685,221**	**7,314,779**	**92%**
Capital Expenses						
Capital Expenses	97,000,000	-	97,000,000	89,826,780	89,826,780	93%
Total expenditure	-	-	-	- 141,559	- 82,512,001	0%

12. Notes to the Financial Statements

1. General Information

The Emergency Fund is established by and derives its authority and accountability from PFM Act, 2012. The fund is wholly owned by the Bungoma County Government and is domiciled in Kenya. The fund's principal activity is enable payments to be made in respect of the County Government when an urgent and unforeseen need of expenditure arises for which there is no specific legislative authority.

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue effective in the period ended 30 June 2025

There are no new standards effective in the financial period ended 30th JUne2025

(ii)New and amended standards and interpretations in issue but not yet effective in the period 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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 45- Property Plant and Equipment	***Applicable 1st January 2025*** 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 recognised 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

Standard	Effective date and impact:
	infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	***Applicable 1st January 2025*** 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	***Applicable 1st January 2026*** 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	***Applicable 1st January 2026*** 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.
IPSAS 49- Retirement Benefit Plans	***Applicable 1st January 2026*** 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.

Early adoption of standards

The Bungoma County Disaster and Emergency Management Fund did not early – adopt any new or amended standards in period 2024.

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

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 appliesthis yield to the principal outstanding to determine interest income each period.

b) Budget information

The County Assembly approved the original budget for FY 2024-2025 in July 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 Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Funddid not record any additional appropriations.

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

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

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

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 Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. 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 Fund 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 fund'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.

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 period end.

Impairment

The Fund 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 5*.

Financial liabilities

Classification

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

d) Contingent liabilities

The Fund 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 probable.

e) Contingent assets

The Fund 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.

f) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Bungoma County Disaster Management Emergency Fund does not maintain any reserves.*

g) Changes in accounting policies and estimates

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

h) 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.

i) Related parties

The Fund 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.

j) 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 period.

k) Comparative figures

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

l) Events after the reporting period

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

m) Currency

The financial statements are presented in Kenya Shillings (Kshs) are rounded off to the nearest shilling.

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund'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

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 period, 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.

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.

6. Transfers from the County Government

Description	Period ended June 2025	FY2023/2024
	KShs	KShs
Transfers from County Govt. – operations	92,791,739	10,000,000
Total	**92,791,739**	**10,000,000**

7. Emergency Expenses

Description	Period ended June 2025	FY2023/2024
	KShs	KShs
Specialised materials and services		9,645,000.00
Total	-	**9,645,000.00**

8. Use of Goods and Services

Description	Period ended June 2025	FY2023/2024
	KShs	KShs
Field Attachments	3,104,960	1,751,490
Bank Charges	1,558	2,845
Other expenses		300,000
Total	**3,106,518.00**	**2,054,334.80**

9. Depreciation and Amortisation.

Description	Period ended June 2025	FY2023/2024
	KShs	KShs
Property Plant and Equipment	9,916,559	6,887,111.67
Total	**9,916,558.67**	**6,887,111.67**

10. Cash and cash equivalents.

Description	Period ended June 2025	FY2023/2024
	KShs	KShs
Current account	365,961.13	507,519.13
Others *(Imprest/receivables)*	10,107,956	10,107,956.00
Total cash and cash equivalents	**10,473,917.13**	**10,615,475.13**

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

		Period ended June 2025	FY2023/2024
Financial institution	Account number	KShs	KShs
a) On - call deposits			
Kenya Commercial bank	1179674 62	10,923	152,481
CBK	1000715073	355,038	355,038
Total		365,961.13	507,519.13

10b. Other Receivables (Imprests)

Description	Period ended June 2025	FY2023/2024
	Kshs	Kshs
Current Receivables		
Imprest	10,107,956.00	10,107,956
Prior year adjustment		-
Total Current receivables	**10,107,956**	**10,107,956**
Current Receivables	**10,107,956**	**10,107,956**

11. Property Plant & Equipment.

Description	Land and Buildings	Roads and other Civil works	Ict Equipment	Totals
	Shs	Shs	Shs	Shs
Cost				
Cost july 2023	4,700,000	229,117,339		233,817,339
Additions/(Disposals)		46,367,128		46,367,128
As at 30th june 2024	4,700,000	275,484,467		280,184,467
Cost july 2024	4,700,000	275,484,467		280,184,467
Additions/(Disposals)		86,976,680.00	2,850,100.00	89,826,780
As at 30th December 2024	4,700,000	362,461,147	2,850,100	370,011,247
Depreciation(rate)	0.0%	2.5%	30.0%	
Bal b/f 1st July 2023	-	20,502,588.22		20,502,588
Charge for the year	-	6,887,111.67		6,887,112
Acc dep as at 30th June 2024	-	27,389,699.89		27,389,700
Depreciation(rate)	0.0%	2.5%	30.0%	
Bal b/f 1st July 2024	-	27,389,700		27,389,700
Charge for the year		9,061,528.67	855,030.00	9,916,559
Acc dep as at 30th June 2025	-	36,451,229	855,030	37,306,259
NET BOOK VALUE				-
As at 30th June 2024	4,700,000	248,094,767	-	252,794,767
As at 30th June 2025	4,700,000	326,009,918	1,995,070	332,704,988

12. Cash generated from operations.

	Period ended June 2025	FY2023/2024
	KShs	KShs
Surplus for the year before tax	79,768,662.33	- 8,586,446.47
Adjusted for:		
Depreciation	9,916,558.67	6,887,111.67
Working Capital adjustments		
Net cash flow from operating activities	89,685,221.00	- 1,699,334.80

13. Related party balances

a) Nature of related party relationships

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

a) The County Government.
b) Fund Administration Committee
c) Key management.

14. Contingent assets and contingent liabilities

The Fund does not have contingent assets and contingent liabilities.

15. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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

The 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.

c) 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.

16. Events after the reporting period

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

17. Currency

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