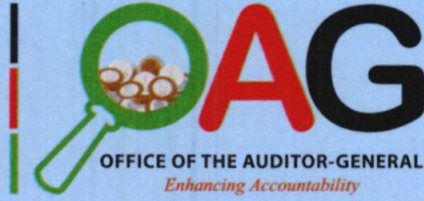


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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KILIFI NORTH
CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KILIFI NORTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Constituency Information and Management	iii
3. NGCDF Committee.....	vii
4. NG-CDFC Chairman’s Report	ix
5. Statement Of Performance Against Predetermined Objectives for FY2024/25	xiii
6. Governance Statement	xv
7. Management Discussion and Analysis	xix
8. Environmental and Sustainability Reporting	xxiii
9. Statement Of Management Responsibilities	xxvii
10. Report Of the Independent Auditor on the NGCDF- Kilifi North Constituency	xxix
11. Statement of Financial Performance for the Year Ended 30th June 2025.....	1
12. Statement Of Financial Position As At 30th June, 2025.....	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025	4
14. Statement Of Cash Flows for The Year Ended 30th June 2025	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	7
16. Budget Execution by Sectors And Projects For The Year Ended 30 th June 2025	10
17. Notes to the Financial Statements	22
18. Annexes.....	62

1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year
DFAC	Decentralized Funds Accounts Committee

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

The mandate of the Fund as derived from sec (3) of the NG-CDF Act, 2015, is to:

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b) (iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

To provide leadership and policy direction for effective and efficient management of the Fund.

Core Values

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

Functions of NG-CDF Committee

The functions of the NG-CDF Committee are outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The NGCDF Kilifi North Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

1.	AIE holder	Mr. Michael Muema
2.	National Sub-County Accountant	CPA Margaret Mokeira Mwanyiro
3.	Chairman NGCDFC	Mrs. Kahindi Jenter Kache
4.	Member NGCDFC	Mr. Safari Paul Katana
5.	Member NGCDFC	Mr. Bidii Renson Kombe

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kilifi North Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Kilifi North Constituency Headquarters

Kilifi Malindi Highway
Off Gede Road
Opposite Watamu Primary school
Kilifi, Kenya

(e) NGCDF Kilifi North Constituency Contacts

P.O. Box 1852-80108 Kilifi
Telephone: (254) 740953530
E-mail: cdfkilifinorth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Kilifi North Constituency Bankers

1. KilifiNorth NGCDFAC No:1060279716245(Operations Account)
Branch: Equity Bank
Kilifi Branch
P.O.Box381-80108 Kilifi
2. Kilifi North NGCDFAC No:1060286297110(Deposit Account)
Branch: Equity Bank Kilifi Branch
P.O. Box 381-80108 Kilifi
3. Equity bank-Kilifi branch ,Cooperative bank Kilifi (Various Accounts)





(g) Independent Auditor

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





(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
<p>Chairperson-KahindiJenterKache</p> 	<p>Date of Birth: 1/01/1975</p> <p>Academic Qualification: Diploma</p> <p>Profession: Business Lady</p> <p>Work experience: She is serving his second term as the chairperson of NG-CDF Kilifi North Committee</p>
<p>Secretary-Safari Paul</p> 	<p>Date of Birth: 21/04/1956</p> <p>Academic Qualification: Diploma</p> <p>Profession: Business man</p> <p>Work experience: Serving his Two term in NG-CDF Kilifi North Committee as the secretary</p>
<p>Member 3-Linnet Jumwa Mkutano</p> 	<p>Date of Birth: 11/11/1965</p> <p>Academic Qualification: Certificate</p> <p>Profession :Business Lady</p> <p>Work experience: She is serving her second term in the NG-CDF Kilifi North Committee</p>
<p>Member 4-Daniel Fondo Kalama</p> 	<p>Date of Birth: 29/05/1994</p> <p>Academic Qualification: Diploma</p> <p>Profession: Business Man</p> <p>Work experience: He is serving his second term in the NG-CDF Kilifi North Committee</p>

**National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025**

<p>Member 5-Gilbert KarisaMlonzi</p> 	<p>Date of Birth: 29.02.1974 Academic Qualification: Diploma Profession: Pastor Work experience: Serving his second term in NG-CDF Kilifi North Committee as the secretary</p>
<p>Member 6-Mohamed Asha Ali</p> 	<p>Date of Birth: 15.01.1990 Academic Qualification: KCSE Profession: Business Work experience: Serving his Second term in NG-CDF Kilifi North Committee as the secretary</p>
<p>Member 7-Kibibi Mwijaa</p> 	<p>Date of Birth: 04/11/1989 Academic Qualification: KCSE Profession: Business Work experience: She is Serving his first term in NG-CDF Kilifi North Committee as the secretary.</p>
<p>Fund Account Manager -Michael Muema</p> 	<p>Date of birth: 14.03.1993 Academic qualification: Bachelor of Commerce Degree Business Administration Option Profession: CPA Work experience: Working with the NGCDFB as the Fund Account Manager for a period of three (3) years</p>

4. NG-CDFC Chairman's Report



Kahindi Jenter Kache

I would like to take this opportunity to thank all the stakeholders who pushed for the establishment of the NGCDF Fund for the noble idea that has enabled us drive development to the grassroots and the Member of Parliament for his leadership, my fellow NGCDFC members and the Fund Account Manager whom we work with closely.

In the financial year 2024/2025 Kilifi North NGCDF has received 78% of the total allocation making it difficult to implement projects making most of the projects to be on going at the close of the financial year.

Due to matters beyond control of the constituency committee, at the close of the financial year the Constituency had not yet received Kshs. 41,386,149.92 from the Board thus could not accomplish all projects as planned within the financial year.

Achievements

This infrastructure development has changed the face of nearly all schools in the constituency leading to an increase in enrolment and retention of students.

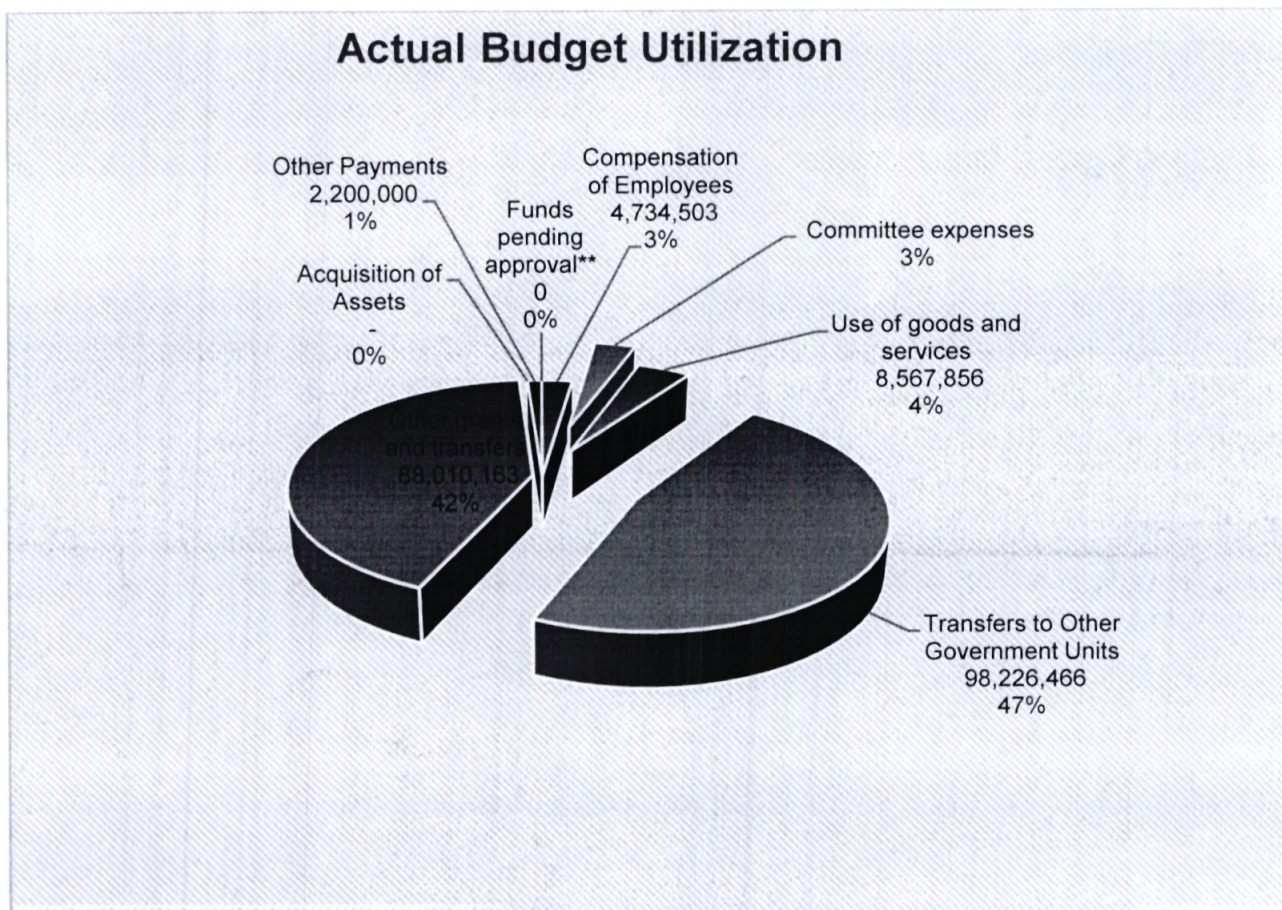
Kilifi North has in the years allocated more than half of its allocation to education and has been able to issue.

The following are some of its achievements:

- Bursary totaling to Kshs. 63,000,000 to 15,894 students as at 30th June 2025.

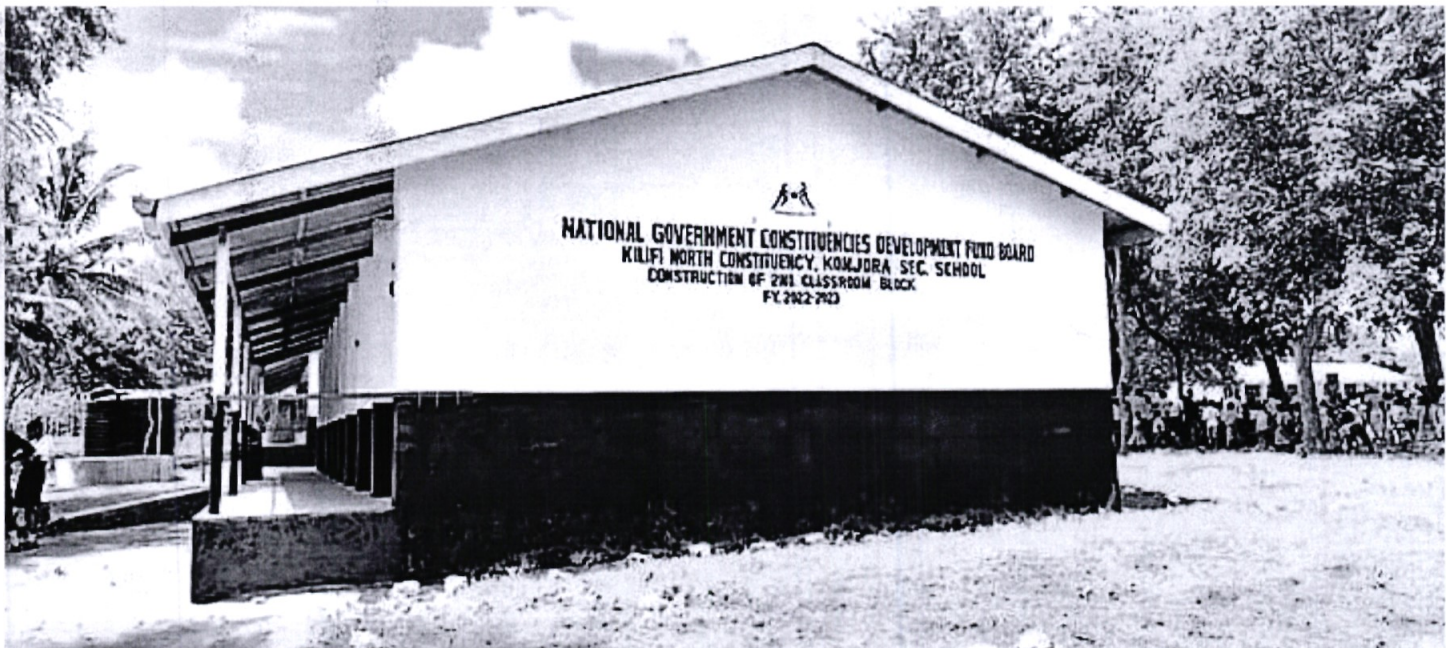
National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

- Construction of 2 classroom at Konjora secondary school
- Construction of 34Classrooms in 17 Secondary Schools
- Completion of Jimba Assistant chief's office
- A total of eight classrooms were constructed to completion in four secondary schools
- A total of four laboratory was constructed to completion in various secondary schools





Jimba ass.Chiefs office – Construction of an assi.Chiefs office



Konjora Secondary school



Gedemixed secondary school – construction of 8 classroom

Through the initiative of prioritizing issuing bursary to day schools within the constituency the NG-CDF Committee is overwhelmed by large numbers of students in day schools hence consuming a bigger fraction of bursary award. This has increased students’ retention in secondary schools

The NG-CDF Kilifi North in its mandate of improving infrastructure in learning institutions came up with an initiative whereby the NG-CDF committee and bursary subcommittee members visited all secondary school within the constituency to create awareness on the need of prioritizing education to anything else so that they get better grades by the time they complete their form four.

During rainy season most of learning institutions toilets collapsed due to heavy rains which led to high rate of diseases and subsequent closure notices from the public health officer. The management intervened and constructed toilets to the affected institutions through the emergency fund so as to salvage the institution

Stili

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**Name: Mrs. JenterKahindi
Chairman NGCDF Committee**

5. Statement Of Performance Against Predetermined Objectives for FY2024/25

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer, when preparing financial statements of each National Government NG-CDF Kilifi North in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government NG-CDF Kilifi North performance against predetermined objectives.

The key development objectives of the **NGCDF Kilifi North Constituency 2023-2027** plan are to:

- i. Promotion of Education and Training in the constituency by empowering students and improving infrastructure in the learning institutions
- ii. Ensure universal health coverage
- iii. Promotion of sports and creative talent for the youths
- iv. Enhancement of administration and security within the constituency.
- v. Promotion of Governance and Resource Mobilization
- vi. Promotion of a well-defined Monitoring and evaluation model

Progress on the attainment of Strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 -we increased number of laboratories in Junior secondary schools to eight(5) and equipped four (5) laboratories with equipment's to enhance learning in the - Bursary beneficiaries in day secondary schools increased because the day schools are given priority in bursary award. The poverty rate of students in day schools compared to boarding schools is very high hence the NG-CDF Kilifi North Committee

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

				prioritize day schools. It was also observed that applicants from teaching institutions and Medical colleges were on the rise hence we decided to support the students to increase number of teachers and medical officers in the constituency.
Security	To improve security in the constituency	Increase number of chiefs office	Number of chiefs offices	In FY 2024/2025 we completed EzaMoyo Chiefs office.
Climate change mitigation activities	To improve climate in the institutions within the Constituency	Enhance learning environment to learners	Increase number of trees and water catchment measures	In FY 2024/2025 we managed to plant 12,000 tree seedlings at Mnarani Primary school, Sidzeni primary school, st. thomas girls, kiriba primary school
Emergency	To cater for unforeseen events	Enhancement of learning institutions	Increase in toilets in learning institutions	In FY 2024/2025 we managed to construct seven (10) toilets in Madeteni Primary school learning institutions which had submerged during heavy rains almost leading to closure of the school by public health officers.

6. Governance Statement

The NG-CDF Kilifi North is governed by the NG-CDF committee members who are selected by a selection panel established under paragraph (4) of NG-CDF regulations.

The functions of a constituency committee shall be to

- Build the capacity of project Management Committees and sensitize the community on the operations of the fund.
- Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the constituency;
- Ensure that all proposed projects are approved;
- Ensure that project proposals submitted to the board include detailed budget proposals, procurement plans and works plans; in approving a project and before submitting the project to the board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the constitution;
- Consult with relevant government department to ensure that cost estimates for projects are realistic; in considering joint projects;
- Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board'
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board
- Ensure that project reports are prepared and submitted to the board;
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- Ensure that the principles of public finance as provided for under chapter twelve of the constitution and the public finance management legislation are observed in the management of the fund;
- Submit financial statements to the board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

- Collaborate with the officer of the Board seconded to the Constituency in the management of the fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- Record the names of all the signatories

Removal of NG-CDF Members

- The members of a constituency committee may remove a member in accordance with section 43(13) and (14) of the Act upon receipt of a complaint against a member.
- A complaint against a member of a constituency committee shall be deposited with the National Government Constituency office.
- The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of
- The secretary shall convene a special meeting in accordance with these regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting
- If, at a meeting held pursuant to paragraph (4) members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice
- A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5).
- The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a constituency committee may hear such a member
- The member against whom a complaint is made may call witness. If the member against whom a complaint is raised choose not to submit a response in writing or

to attend the hearings, a constituency committee may proceed to determine the matter

- Notwithstanding paragraph (10), a constituency committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. Kenya subsidiary legislation, 2016 1955
- If the member against whom a complaint is made fails to respond to the complaint as may be directed by a constituency committee, the committee may proceed and make a determination based on the evidence available.
- A constituency committee shall issue its decision on the complaint within seven days after the conclusion of the hearing.
- If constituency committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the constituency committee to the board within fourteen days of the decision.
- The communication to the board under paragraph (14) shall include dully executed proceedings, together with all the supporting documents.
- The board shall, within thirty days after receipt of the communication in the paragraph (14), consider the matter and issues a final declaration which shall be binding on all parties.

NG CDFC members and the categories they represent

S/no	Name	Position
1	BidiiRensonKombe	Male adult representative
2	Gilbert KarisaMlonzi	Male adult representative
3	Daniel Fondo Kalama	Male Youth Representative
4	KahindiJenterKache	Female Adult Representative
5	Mohamed Asha Ali	Female Adult Representative
6	KibibiMwijaa	Female Youth Representative
7	Linnet JumwaMkutano	Representative of person living with disability

Members' remuneration

During financial year 2024/2025 the NG-CDF committee members conducted 12 meetings, bursary sub-committee conducted 4 meetings. They were remunerated at a rate of Kshs

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

5,000 per sitting and Kshs 7,000 for the NG-CDFC Chairperson which were all subjected to 30% income tax

No. of meetings (state how many meetings each member attended)

S/no	Name	Position	No. of meetings attended
1	BidiiRensonKombe	Male adult representative	12
2	Gilbert KarisaMlonzi	Male adult representative	15
3	Daniel Fondo Kalama	Male Youth Representative	15
4	KahindiJenterKache	Female Adult Representative	15
5	Mohamed Asha Ali	Female Adult Representative	12
6	KibibiMwijaa	Female Youth Representative	15
7	Linnnet JumwaMkutano	Representative of person living with disability	12

Succession in NG CDFC

The NG-CDF Kilifi North Committee term came to an end after new committee members were gazetted on 21st May, 2025 through gazette notice number **Vol. CXXVII – 98**. The Board coopted Safari Paul as a member of Kilifi North Constituency Committee.

No.	Name	Category	Statutory Provision Under NG-CDF Act
1	BidiiRensonKombe	Male adult representative	Appointment, Pursuant to Sec, 43(2)(b)
2	Gilbert KarisaMlonzi	Male adult representative	Appointment,
3	Daniel Fondo Kalama	Male Youth Representative	Pursuant to Sec, 43(2)(b)
4	KahindiJenterKache	Female Adult Representative	Appointment,
5	Mohamed Asha Ali	Female Adult Representative	Pursuant to Sec, 43(2)(b)
6	KibibiMwijaa	Female Youth Representative	Appointment,
7	Linnnet JumwaMkutano	Representative of person living with disability	

Risk management

The management of NG-CDF Kilifi North has always put in place measures to identify possible risk areas through a consultative engagement with various stakeholders and all risk mitigation factors have been put in place. In this regard the management has complied with NG-CDF Act 2022 as amended in 2023, PPRA regulations, PFM Act 2012, Board circulars, presidential directives and any other law regarding its operations

Conflict of Interest

During every meeting the management has always reminded committee members to declare any conflict of interest before the meeting starts and none of the members declared interest on any matters discussed during the year ended 30th June 2025.

7. Management Discussion and Analysis

1. Operational and Financial Performance

The Kilifi North NG-CDF has consistently received increased allocations over the last five fiscal years, signifying trust and growth in constituency-level development. Fund absorption remains high due to strategic planning and timely execution of priority projects.

Over the five-year period the constituency has received a cumulative sum of Kshs 823,421,644.23 as shown in the table below.

Fiscal Year	Allocation
2020/21	137,215,879.31
2021/22	137,088,879.00
2022/23	158,832,745.00
2023/24	192,897,991.00
2024/25	197,386,149.92

2. Key Projects Implemented and Ongoing

Education:

- 16 new classrooms built and equipped.

- Over 20,000 students benefited from bursary disbursements
- Construction of school toilets.
- Junior secondary school labs established in 4 secondary schools.
- Renovation of classrooms
- Construction of complete 2 new storey building schools

Social Security & Public Safety:

- Construction of chief's and Assistant chief's offices

3. Statutory Compliance

The Fund adheres to the NG-CDF Act, 2015 and the Public Finance Management framework. Audits are performed annually with no major except for opinion reports. Procurement processes conform to the Public Procurement and Asset Disposal Act, ensuring transparency.

- All statutory reports submitted to the NG-CDF Board and National Treasury in time
- Annual Work plans and Budgets approved and implemented successfully.

4. Major Risks/challenges Facing the Fund

Risk Factor/challenge	Mitigation Strategy
Delayed disbursements	Continuous engagement with National Treasury
Escalating construction costs	Dynamic budgeting and project prioritization
Low contractor performance	Vetting, contract enforcement, regular audits
Community disputes	Stakeholder forums and public participation

5. Arrears and Financial Obligations

There are **no statutory arrears**. However, the board is yet to disburse **KES 41,386,149.92** primarily related to infrastructure work, ICT hub and purchase of school bus projects

6. Review of Economy and Sector

National Context

Kenya's post-pandemic recovery, growing GDP, and increased public investment have created a favorable environment for constituency development. The fiscal space, however, remains constrained by inflationary pressures and debt servicing.

Sectoral Dynamics:

- **Education:** Increased demand for digital learning tools.
- **Bursary:** Increased bursary dependence.
- **Climate change:** Emphasis on climate-resilient projects.

7. Future Developments

Looking ahead, Kilifi North NG-CDF is set to:

- Expand digital learning by improving ICT infrastructure in schools.
- Increase bursary allocation to support more vulnerable learners
- Address climate change mitigation measures by planting more trees and tap solar energy.
- Strengthen monitoring and evaluation frameworks to ensure project effectiveness.

The Kilifi North Constituency NG-CDF remains committed to fostering sustainable development and improving the quality of life for its constituents through prudent



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National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Name: Michael Muema
Fund Account Manager

8. Environmental and Sustainability Reporting

Include an Introductory paragraph on the organization's main mandate and its strategy for sustainability. Sustainability is the ability to maintain or continue offering services to the country's citizens over the long term.

1. Sustainability strategy and profile -

To ensure the sustainability of Kilifi North Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kilifi North Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars, NGCDF has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

During the financial year 2024-2025 we managed to plant 12,000 tree seedlings in various primary and secondary schools within the constituency.

3. Employee welfare

We invest in providing the best working environment for our employees. Kilifi North constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Kilifi North constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Kilifi North Constituency is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency to lift them economically. Our ethical market practices ensure the fund gets value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers, which are enhanced through organized sensitization forums on the procurement legal framework and ethical subject matters. We are dedicated to honoring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption.
- b) Good business practices, including cordial Supply chain and supplier relations, by honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

5. Community Engagements-

Kilifi North Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects.

8. Public Participation in Project Identification, Implementation, and Monitoring

Kilifi North Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development

plan. The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional, and national agencies, as well as for conducting community-based needs assessments, public awareness campaigns, and community meetings.

Kilifi North Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....
Name: Mr. Michael Muema
Fund Account Manager.

9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- Kilifi North Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Kilifi North Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of Kilifi North transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Kilifi North Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

***National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025***

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

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee 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 NGCDF-Kilifi North Constituency financial statements were approved and signed by the Accounting Officer on 5/11 2025.



.....
Name: Mrs. Jenter Kahindi
Chairman – NGCDF Committee



.....
Name: Mr. Michael Muema
Fund Account Manager

REPUBLIC OF KENYA



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KILIFI NORTH CONSTITUENCY 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; and,
- 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Kilifi North Constituency set out on

*Report of the Auditor-General on National Government Constituencies Development Fund – Kilifi North Constituency
for the year ended 30 June, 2025*

pages 1 to 83, which comprise of the statement of financial position as at 30 June, 2025 and the of statement financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund - Kilifi North Constituency 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 (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 as amended in 2022 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/ Prepared in accordance with accrual basis of accounting method under international public sector accounting standards (IPSAS)". This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects other Government units certified works amount of Kshs.113,576,714 whereas the statement of comparison of budget and actual amounts reflects Kshs.119,124,168, resulting in an unreconciled variance of Kshs.5,547,454. Further, the statement reflects cash generated from operations of Kshs.20,886,354 while Note 30 on cash generated from operations reflects a balance of Kshs.20,781,354, resulting to an unreconciled variance of Kshs.105,000.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

3. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.94,427,484 as disclosed in Note 19 to the financial statements. The balance includes Kshs.51,957,750 held in various Project Management Committee bank accounts whose bank reconciliations and cash books were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.94,427,484 could not be confirmed.

4. Inaccuracy in the Statement of Changes in Net Assets

The statement of changes in net assets reflects reserves for the year of Kshs.133,876,103, out of which Kshs.62,056,972 was in respect of accumulated surplus as at 30 June, 2024 erroneously presented under reserves, thereby overstating the reserves balance by the same amount. Further, the statement reflects recognition of assets and liabilities amounts of Kshs.72,914,145 and Kshs.1,095,013 respectively as adjustments to opening reserves balance instead of accumulated surplus. In addition, details of the assets and liabilities have not been disclosed.

In the circumstances, the accuracy and completeness of the statement of changes in net assets could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kilifi North Constituency 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 qualified opinion.

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.336,278,641 and Kshs.294,892,492 respectively, resulting in an under-funding of Kshs.41,386,149 or 12% of the budget. Similarly, the Fund spent an amount of Kshs.200,465,007 against actual receipts of Kshs.294,892,492, resulting to under-utilization of Kshs.94,427,485 or 32% of actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the Public.

My opinion is not modified in respect of this matter.

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. Except for the effect of the matters

described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Entity in 2024/2025 revealed that the following six (6) matters remained unresolved:

No.	Audit Issue
1	Unsupported Bursary Payment
2	Budget Control and Performance
3	Unresolved Prior Year Audit Matters
4	Unauthorized Spending
5	Payments for Works not Done
6	Physical Verification Projects

Other Information

The Management are responsible for the Other Information set out on pages iii to xxviii which comprise of Key Constituency Information and Management, The NGCDF Committee, NGCDF-Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management 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 confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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.

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 the National Government Constituency Development Fund Committee

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.

The National Government Constituency Development Fund Committee is 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


08 December, 2025

*National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

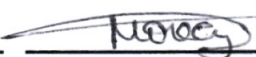
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period ended 2024 - 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	197,386,150
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	755,744
Total revenue		198,141,894
Expenses		
Employee costs	10	6,524,852
Committee expenses	11	3,421,200
Use of Goods and Services	12	9,613,730
Other Government Units Actual expenditure	13	113,576,714
Other Grants and Transfers Actual expenditure	14	68,066,029
Depreciation and amortization expense	15	105,000
Digital Hubs Actual expenditure	16	-
Total expenses		201,307,525
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(3,165,631)


The Constituency financial statements were approved by the NGCDFC on 5TH NOVEMBER 2025 and signed by:



Chairman NG-CDF
Committee
Name: Mrs. Jenter Kahindi



National Sub-County
Accountant
Name: CPA. Margaret
Mwanyiro
ICPAK M/No: 5986



Fund Account Manager
Name: Michael Muema

12. Statement Of Financial Position As At 30th June, 2025

	Notes	Period 2024 - 2025 Ksh	Opening Statement 1st July 2024 Ksh
Assets			
Current Assets			
Cash and Cash Equivalents	19	94,427,484.25	73,891,130.50
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	41,386,149.92	64,245,617.00
Prepayments	22	-	-
Total Current Assets		135,813,634.17	138,136,747.50
Non-Current Assets			
Property, Plant and Equipment	23	245,000.00	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		245,000.00	-
Total Assets (A)		136,058,634.17	138,136,747.50
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	2,182,531.00	1,095,013.00
Total Current Liabilities		2,182,531.00	1,095,013.00
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,182,531.00	1,095,013.00
Net Assets (A-B)		133,876,103.17	137,041,734.50
Represented by:			
Revaluation Reserves		133,876,103.42	137,041,734.50
Accumulated Surplus			

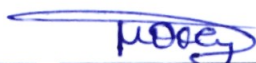
*National Government Constituencies Development Fund (NGCDF)
 Kilifi North Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025*

Total Net Assets		133,876,103.42	137,041,734.50
-------------------------	--	-----------------------	-----------------------

The Constituency financial statements set out on pages 1 to 15 approved by NG CDFC on 5th November, 2025 and signed by:



Chairman NG-CDF
 Committee
 Name: Mrs. Jenter Kahindi



National Sub-County
 Accountant
 Name: CPA. Margaret
 Mwanyiro
 ICPAK M/No: 5986



Fund Account Manager
 Name: Michael Muema

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Ksh	Ksh	Ksh
As at 30th June 2024 (cash basis)	65,222,603		65,222,603
Adjustments: (to recognize assets and liabilities)			
Add Assets	72,914,145		72,914,145
Less Liabilities	1,095,013		1,095,013
As at July 1, 2024	137,041,735		137,041,735
Surplus/(Deficit) For the Period	(3,165,631)		(3,165,631)
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	133,876,103	-	133,876,103

*National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

	2024	Period 2024 - 2025
		Kshs
Cashflowsfromoperatingactivities		
Receipts		
Transfers from the NGCDF Board		220,245,617
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		755,744
Total Receipts		221,001,361
Payments		
Employee costs		5,437,334
Committee expenses		3,421,200
Use of Goods and Services		9,613,730
Other Government Units Certified Works		113,576,714
Other Grants and Transfers		68,066,029
Digital Hubs Expenses		-
Total Payments		200,115,007
Net Cash Flows from/ (used in) Operating Activities	30	20,886,354
Cash flows From Investing Activities		
Purchase of PPE		350,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		350,000
Netincrease/(decrease)incash& Cash equivalents		20,536,354
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		20,536,354

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Cash and cash equivalents at Period Start	17	73,891,131
Cash and cash equivalents at Period End	17	94,427,485

15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget			Final Budget			% of Utilization
	Kshs	Adjustments		Kshs	Actual on	Budget	
		Kshs			comparable	utilization	
a	b	C=(a+b)		D	e=(c-d)	f=d/c*100	
	Insert current FY	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	Insert current FY	Insert current FY		
Revenue							
Transfers From the NGCDF Board	197,386,150	73,891,131	64,245,617	335,522,897	294,892,492	40,630,405	88
Grants/donations from other entities	-	-	-	-		-	
Finance income	-	755,744	-	755,744		755,744	0
Miscellaneous income	-	-	-	-		-	

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Totals	197,386,150	74,646,874	64,245,617	336,278,641	294,892,492	41,386,149	88
Expenses							
Employee costs	5,278,324	2,832,830	114,062	8,225,216	5,437,334	2,787,882	66
Committee expenses	5,328,000	3,149,933	(1,400,635)	7,077,298	3,421,200	3,656,098	48
Use of Goods and Services	7,158,428	4,597,276	696,587	12,452,291	9,613,730	2,838,561	77
Other Government Units Certified Works	113,021,396	61,547,243	49,933,136	224,501,775	119,124,168	105,377,607	53
Other Grants and Transfers	66,600,001	1,750,000	10,000	68,360,001	62,518,575	5,841,426	91
Digital Hubs Expenses		13,850	14,542,467	14,556,317	-	14,556,317	0
Photocopier			350,000		350,000		100
Funds Pending Approval**	-	755,744	-	755,744	-	755,744	0
Total Expenditure	197,386,149	74,646,875	64,245,617	335,928,641	200,465,007	135,813,634	60
Surplus for the period					-		

Explanatory Notes.

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

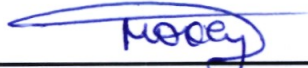
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	135,813,634
Less undisbursed funds receivable from the Board as at 30 th June 2025	41,386,149
Cash and Cash Equivalents at the end of the 30 th June 2025	94,427,485

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 5TH NOVEMBER 2025 and signed by:



 Fund Account Manager

Name: Michael Muema



 National Sub-County Accountant

Name: CPA. Margaret Mwanyiro
 ICPAK M/No:5986



 Chairman NG-CDF Committee

Name: Mrs. Jenter Kahindi

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,278,324	2,832,830	114,062	8,225,216	5,437,334	2,787,882
1.2 Committee allowances	2,328,000	3,122,669	(3,726,364)	1,724,305	1,824,200	(99,895)
1.3 Use of goods and services	4,236,844	4,597,276	(1,722,797)	7,111,323	9,613,730	(2,502,407)
Sub-total	11,843,168	10,552,775	(5,335,099)	17,060,844	16,875,264	185,580
2.0 Monitoring and evaluation						
2.1 Capacity building	2,000,000	27,264	374,148	2,401,412		2,401,412
2.2 Committee allowances	1,000,000		1,951,581	2,951,581	1,597,000	1,354,581
2.3 Use of goods and services	2,921,584		2,419,384	5,340,968		5,340,968
Sub-total	5,921,584	27,264	4,745,113	10,693,961	1,597,000	9,096,961

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

4.0 Emergency						
Unutilized	10,388,745	8,387		10,397,132	3,620,000	6,777,132
Sub-total	10,388,745	8,387	-	10,397,132	3,620,000	6,777,132
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	30,000,001		10,000	30,010,001	36,761,000	(6,750,999)
5.3 Tertiary Institutions	28,000,000			28,000,000	21,962,000	6,038,000
5.4 special needs	5,000,000			5,000,000	2,046,000	2,954,000
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	63,000,001	-	10,000	63,010,001	60,769,000	2,241,001
7.0 Environment						
Supply and delivery of tree seedlings	3,600,000			3,600,000		3,600,000
				-		
Sub-total	3,600,000	-	-	3,600,000	-	3,600,000
8.0 Primary Schools Projects						
8.1 Kanani Primary School	2,800,000			2,800,000		2,800,000

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

8.2 Kilodi Primary School	2,800,000			2,800,000		2,800,000
8.3 Kiwandani Primary School	3,500,000			3,500,000		3,500,000
8.4 Konjora Primary School	2,800,000			2,800,000		2,800,000
8.5 Korosho Primary School	2,800,000			2,800,000		2,800,000
8.6 Matsangoni Primary School	3,500,000			3,500,000		3,500,000
8.7 Maweya Kati Primary School	2,800,000			2,800,000		2,800,000
8.8 Maweni Primary School	3,050,000			3,050,000		3,050,000
8,9 Mijomboni Primary School	2,800,000			2,800,000		2,800,000
8.10 Mitangoni Primary School	3,050,000			3,050,000		3,050,000
8.11 Mnarani Primary School	14,312,719			14,312,719	4,968,214	9,344,505
8.12 Mwambani Primary School	3,050,000			3,050,000		3,050,000
8.13 Mzizima Primary School	3,500,000			3,500,000		3,500,000
8.14 Roka Primary School	2,100,000			2,100,000		2,100,000
8.15 Timboni Primary School	3,050,000			3,050,000		3,050,000
GEDE PRIMARY SCHOOL		19		19		19
ARABUKO PRIMARY SCHOOL						

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

	416		416		416
SITA PRIMARY SCHOOL	19,278		19,278		19,278
DABASO PRIMARY SCHOOL	102,313		102,313		102,313
MTSANGANYIKO PRIMARY SCHOOL	2,320		2,320		2,320
MSABAHA PRIMARY SCHOOL	37,088		37,088		37,088
MBARAKACHEMBE PRIMARY SCHOOL	152,234		152,234		152,234
JIMBA GEDE PRIMARY SCHOOL	23,000		23,000		23,000
MTONDIA PRIMARY SCHOOL	122,743		122,743		122,743
MIKINGIRINI PRIMARY SCHOOL	480		480		480
GEDE PRIMARY SCHOOL	31,746		31,746		31,746
MITANGONI PRIMARY SCHOOL	55,489		55,489		55,489
EMERGENCY SOYOSOYO PRIMARY SCHOOL	226,100		226,100		226,100
KIWANDANI PRIMARY SCHOOL	128,481		128,481		128,481
GEDE PRIMARY SCHOOL-6 DOOR TOILET	11,284		11,284		11,284
SOYOSOYO PRIMARY SCHOOL-WATAMU	13,484		13,484		13,484
MABUANI PRIMARY SCHOOL TOILET	1,104		1,104		1,104

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

JEZAZHOMU PRIMARY SCHOOL		24,576		24,576		24,576
NGERENYA PRIMARY SCHOOL		95,290		95,290		95,290
NGALA PRIMARY SCHOOL		70,600		70,600		70,600
ZOWERANI PRIMARY SCHOOL		3,753		3,753		3,753
BAHARI PRIMARY SCHOOL		19,633		19,633		19,633
MAVUENI PRIMARY SCHOOL		600		600		600
KIBAONI PRIMARY SCHOOL		3,242		3,242		3,242
MKANGAGANI PRIMARY SCHOOL		9,998		9,998		9,998
MKANGAGANI PRIMARY SCHOOL		4,424		4,424		4,424
BOFA SECONDARY SCHOOL		25,000		25,000		25,000
MSABAHA PRIMARY SCHOOL		7,074		7,074		7,074
DONGOKUNDU PRIMARY SCHOOL		273		273		273
CHANDO PRIMARY SCHOOL		274		274		274
OLDFERRY PRIMARY SCHOOL		3,272		3,272		3,272
KIRIBA PRIMARY SCHOOL		9,084		9,084		9,084
ST THOMAS GIRLS						

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

SECONDARY SCHOOL		2,149		2,149		2,149
MKOMBE PRIMARY SCHOOL		273		273		273
MKOMBE PRIMARY SCHOOL		1,714		1,714		1,714
KILIFI NORTH DESKS PROJECTS		14,425		14,425		14,425
KILIFI NORTH ENVIRONMENT PROJECT		425		425		425
MADEVU PRIMARY SCHOOL		274		274		274
KIRINGI PRIMARY SCHOOL		3,409		3,409		3,409
KADZINUNI PRIMARY SCHOOL-TOILET		51,188		51,188		51,188
MDZONGOLONI PRIMARY SCHOOL		2,049		2,049		2,049
MKOMANI PRIMARY SCHOOL		51,189		51,189		51,189
SIDZENI PRIMARY SCHOOL		8		8		8
UYOMBO MAWENI PRIMARY SCHOOL		3,366		3,366		3,366
TAKAUNGU PRIMARY SCHOOL		4,292		4,292		4,292
BASI PRIMARY SCHOOL		198,580		198,580	197,155	1,425
CHANDO PRIMARY SCHOOL		500,000		500,000	500,000	-
ST THOMAS GIRLS SECONDARY SCHOOL		3,339,118	174,721	3,513,839	3,513,769	70

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

KILIMO PRIMARY SCHOOL		3,513,839	-	3,513,839	3,511,974	1,865
MIDA PRIMARY SCHOOL		3,506,839		3,506,839	3,505,875	964
MTONDIA PRIMARY SCHOOL		3,506,836		3,506,836	3,503,996	2,840
MBOGOLO PRIMARY SCHOOL		4,800,000		4,800,000	4,740,575	59,425
KIBOKONI PRIMARY SCHOOL		2,800,000		2,800,000	1,841,961	958,039
KARARACHA PRIMARY SCHOOL		3,513,839		3,513,839	3,513,837	2
MIKINGIRINI PRIMARY SCHOOL		3,506,839		3,506,839	3,506,719	120
MKOMANI PRIMARY SCHOOL			29,253	29,253		29,253
KADZINUNI PRIMARY SCHOOL-TOILET			29,253	29,253		29,253
MKOMBE PRIMARY SCHOOL			3,125	3,125		3,125
MSABAHA PRIMARY SCHOOL			207,455	207,455		207,455
MWAMBANI PRIMARY SCHOOL			5,482	5,482		5,482
MKOMBE PRIMARY SCHOOL			11,859	11,859		11,859
KIBAONI PRIMARY SCHOOL			10,333	10,333		10,333
OLDFERRY PRIMARY SCHOOL			10,333	10,333		10,333
MKANGAGANI PRIMARY						

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

SCHOOL			16,032	16,032		16,032
DONGOKUNDU PRIMARY SCHOOL			3,626	3,626		3,626
CHANDO PRIMARY SCHOOL			72,400	72,400		72,400
MADEVU PRIMARY SCHOOL			1,030	1,030		1,030
KILIMO PRIMARY SCHOOL JSS			3,513,839	3,513,839	3,513,789	50
ST THOMAS GIRLS SECONDARY SCHOOL JSS			3,513,839	3,513,839	3,513,000	839
KARARACHA PRIMARY SCHOOL JSS			3,510,359	3,510,359	3,510,222	137
MIDA PRIMARY SCHOOL JSS			3,506,839	3,506,839	3,506,724	115
MTONDIA PRIMARY SCHOOL JSS			3,506,839	3,506,839	3,506,138	701
MIKINGIRINI PRIMARY SCHOOL JSS			3,515,839	3,515,839	3,505,738	10,101
Sub-total	55,912,719	30,525,323	21,642,456	108,080,498	54,359,686	53,720,812
9.0 Secondary Schools Projects (List all the Projects)						
9.1 Chumani Girls Secondary School	15,064,460	6,506,000		21,570,460	8,475,872	13,094,588

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

9.2 Kilifi Township Secondary School	14,000,000.00	6,000,000		20,000,000	9,897,736	10,102,264
9.3 Korosho Secondary School	500,000.00		5,000,000	5,500,000	3,846,876	1,653,124
9.4 Mkongani Secondary School	500,000.00		5,000,000	5,500,000	3,836,128	1,663,872
9.5 Mkwajuni Secondary School	500,000.00	870,104	4,129,896	5,500,000	3,846,419	1,653,581
9.6 Rg Ngala Secondary School	9,655,472.00	177,582		9,833,054	175,288	9,657,766
9.7 Watamu Secondary School	500,000.00		5,000,000	5,500,000	5,471,324	28,676
NGERENYA SECONDARY SCHOOL		977		977		977
MNARANI SECONDARY SCHOOL		509		509		509
WATAMU SECONDARY SCHOOL		22,997		22,997		22,997
KIWANDANI SECONDARY SCHOOL		1,862		1,862		1,862
MENYHEART SECONDARY SCHOOL		135		135		135
KIWANDANI SECONDARY SCHOOL		2,880		2,880		2,880
KOROSHO SECONDARY SCHOOL		600		600		600
FB TUVA SECONDARY SCHOOL		1,304		1,304		1,304
MARAFIKI SECONDARY SCHOOL		25		25		25

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

GEDE MIXED SECONDARY SCHOOL		40,350		40,350		40,350
GEDE MIXED SECONDARY SCHOOL		2		2		2
FUMBINI SECONDARY SCHOOL		8,200		8,200		8,200
KOROSHO SECONDARY SCHOOL		5,617		5,617		5,617
KONJORA SECONDARY SCHOOL		19,411		19,411		19,411
MAJAONI SECONDARY SCHOOL-D/HALL		1,830,928		1,830,928	1,812,993	17,935
MKANGAGANI SECONDARY SCHOOL			2,650,748	2,650,748	2,601,151	49,597
MKANGAGANI SECONDARY SCHOOL		457,963		457,963	453,539	4,424
CHUMANI SECONDARY SCHOOL BUS		13,000,000	3,000,000	16,000,000	15,999,952	48
BOFA SECONDARY SCHOOL			8,495	8,495		8,495
KONJORA SECONDARY SCHOOL			2,814	2,814		2,814
EZAMOYO SECONDARY SCHOOL			2,800,000	2,800,000	2,799,750	250
Sub-total	40,719,932	28,947,446	27,591,953	97,259,331	59,217,028	38,042,303
10.0 Tertiary institutions Projects (List all the Projects)						
Sub-total	-	-	-	-	-	-

National Government Constituencies Development-Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

11.0 Security Projects						
11.1 Hospital Chiefs Office	2,000,000			2,000,000		2,000,000
11.2 Mbarakachembe Chiefs office	2,000,000		-	2,000,000		2,000,000
11.3 Uyombo Chiefs Office	2,000,000			2,000,000		2,000,000
KILIFI NORTH SUBVOUNTY DCC		26,846		26,846		26,846
DABASO ASSISTANT CHIEFS OFFICE		91,700		91,700		91,700
MABIRIKANI CHIEFS OFFICE		1,107		1,107		1,107
JIMBA CHIEFS OFFICE		1,273	698,727	700,000		700,000
DABASO CHIEFS OFFICE		15,262		15,262		15,262
EZAMOYO CHIEFS OFFICE		1,929,899		1,929,899	1,927,454	2,445
Sub-total	6,000,000	2,066,087	698,727	8,764,814	1,927,454	6,837,360
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)				-	-	-
12.2 Purchase of furniture and fitiings					-	-
12.2 Construction of CDF office					-	-
12.3 Photo copier						

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

			350,000		350,000	
Sub-total	-	-	350,000	-	350,000	-
13.0 Others						
KILIFI NORTH ICT HUB		13,850.00	-	13,850		13,850
KILIFI NORTH NG CDF ENVIROMENT		1,750,000.00		1,750,000	1,749,575	425
KILIFI NORTH DIGITAL HUB			14,542,467	14,542,467		14,542,467
Sub-total	-	1,763,850	14,542,467	16,306,317	1,749,575	14,556,742
Funds pending approval**					-	-
unapproved projects		755,744		755,744		755,744
AiA		-		-		-
Sub-total	-	755,744	-	755,744	-	755,744
Total	197,386,149	74,646,875	64,245,617	335,928,642	200,465,007	135,813,635

(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts)

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Kilifi North Constituency principal activity is service delivery to the constituents through provision of bursary to vulnerable learners and construction of infrastructure to schools.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements (entity to state the transitional provisions it has applied, and the steps being taken towards full compliance with IPSAS Accrual).

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (include any other applicable

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

i. New and amended standards and interpretations in issue 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 2024.

Standard	Effective date and impact
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This IPSAS is not applicable in this constituency</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

	This IPSAS is not applicable in this constituency
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>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 infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This IPSAS will be effective 1st July 2025</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>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</p>

	<p>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.</p> <p>This IPSAS will be effective 1st July 2026</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>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.</p> <p>This IPSAS is not applicable in this constituency</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>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.</p> <p>This IPSAS is not applicable in this constituency</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> 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. <p>This IPSAS is not applicable in this constituency</p>

iii. 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 the 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 Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

ii) Revenue from exchange transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

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.

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 was approved by Parliament on 30th June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the final budget for the financial year under review has been included in the financial statements.

The financial statements are prepared on an 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 actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

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.

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the NG-CDF Kilifi North. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The NG-CDF Kilifi North also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the NG-CDF Kilifi North will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the NG-CDF Kilifi North. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) 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.

a) 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.

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.

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

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

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.

Impairment

The NG-CDF Kilifi North 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 NG-CDF Kilifi North recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

The NG-CDF Kilifi North classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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 NG-CDF Kilifi North.

h) Provisions

Provisions are recognized when the NG-CDF Kilifi North 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 NG-CDF Kilifi North 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

i) 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 NG-CDF Kilifi North recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme 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.

j) 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.

k) 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.

l) Employee benefits

Retirement benefit plans

The NG-CDF Kilifi North 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.

m) 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.

n) Related parties

The NG-CDF Kilifi North 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 NG-CDF Kilifi North, or vice versa.

o) 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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the NG-CDF Kilifi North 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 judgments, estimates, and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset is based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

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.

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

6. Transfers from the NGCDF Board

Description	Insert current FY Kshs
NGCDFB Transfers (Allocation 2024-2025)	197,386,150
Total	197,386,150

7. Transfers from domestic and foreign partners

Description	Insert Current FY Kshs
Grants	-
Total	-

8. Finance income

Description	Period 2024 - 2025 Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Description	Period 2024 - 2025 Kshs
Rental Income	-
Income from sale of tenders	755,744
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (specify)	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Total	755,744
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10. Employees cost

Description	Period 2024 – 2025
	Ksh
NG-CDFC Basic staff salaries	5,005,028
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,087,518
Employer Contributions Compulsory national social security schemes	284,604
Employer Contributions Compulsory Housing levy	147,702
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	6,524,852

11. Committee Expenses

Description	Period 2024 – 2025
	Ksh
Sitting allowance	1,824,200
Other Committee expenses	1,597,000
Total	3,421,200

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

12. Use of Goods and services

Description	Period 2024 - 2025
	Ksh
Utilities, supplies and services	438,125
Communication, supplies and services	76,310
Domestic travel and subsistence	2,294,200
Printing, advertising and information supplies & services	212,489
Office Rent	-
Training expenses	4,417,695
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,182,062
Fuel, oil & lubricants	485,000
Bank Charges	6,313
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	404,916
Strategic plan expenses	-
Other operating expenses	96,620
Total	9,613,730

13. Other Government Units Actual expenditure

Description	Period 2024 - 2025
	Ksh
Primary Schools Actual expenditure	54,359,686
Secondary Schools Actual Expenditure	59,217,028

Tertiary Institutions Actual Expenditure	-
Total	113,576,714

14. Other Grants and transfers Actual expenditure

Description	Period 2024 - 2025
	Ksh
Bursary – secondary schools	36,761,000
Bursary – tertiary institutions	21,962,000
Bursary – special schools	2,046,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	1,927,454
Climate change mitigation projects	1,749,575
Emergency projects Actual Expenditure	3,620,000
Roads projects	-
Others specify	-
Total	68,066,029

15. Depreciation and Amortization Expenses

Description	Period 2024 - 2025
	Ksh
Property Plant and Equipment	105,000
Intangible Assets	-
Total	105,000

16. Digital Hubs Expenses

Description	Period 2024 - 2025
	Ksh
Construction/ renovation/Actual Expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Maintenance of building	-
Others (specify)	-
Total	-

17. Gain/loss on Sale of Assets

Description	Period 2024 - 2025 Ksh
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Asset	-

18. Impairment Loss

Description	Period 2024 - 2025 Ksh
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period 2024 - 2025 Ksh	Opening Statement 1st July 2024 Ksh
Bank Accounts (Cash Book Bank Balance)		
Kilifi north NG-CDFD, Account No.1060279716245 (Operations account)	40,287,204	65,222,603.00
Operations account pending closure (Indicate name & account no.)	-	-
KILIFI NORTH NGCDF DEPOSIT, account No. (Deposit account)	2,182,531	-
EQUITY BANK, account No. (PMC's account)	51,957,750	8,668,527.50
Total	94,427,484	73,891,131

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provide Cash Count Certificates for Each]		

(A schedule of all reconciled PMC bank balances as at the end of the period is annexed)

20.Receivables from Exchange Transactions

Description	Period 2024 - 2025		Opening Statement	
	KSh		1st July 2024 KSh	
Total receivables				
Other exchange debtors (Specify)	-		-	
Less: impairment allowance	-		-	
Totalreceivables	-		-	
a. Current receivables	-		-	
b. Non-current receivables	-		-	
Total Receivables (a+b)	-		-	

i. Ageing Analysis for Receivables

Description	Period 2024 - 2025		Opening Statement	
	KSh		1st July 2024 KSh	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	-	-	-	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

21.Receivables from Non-Exchange Transactions

Description	Period 2024 - 2025	Opening Statement 1st July 2024
	Ksh	Kshs
Transfers from NGCDFB	41,386,150	
Outstanding imprest	-	-
Total	41,386,150	-

Ageing Analysis for Receivables

Description	Period 2024 - 2025		Opening Statement 1st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	-	-	-	-

22.Prepayments

Description	Period 2024 - 2025	Opening Statement 1st July 2024
	Ksh	Ksh
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	25.00%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	350,000	-	-	350,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 Sep/Dec/Mar/Jun 2025	-	-	-	-	-	350,000	-	-	350,000
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	105,000	-	-	105,000
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th Sep/Dec/Mar/Jun 2025	-	-	-	-	-	-	-	-	-
Net Book Values						245,000			245,000
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-	-
As At 30th June, 2025	-	-	-	-	-	350,000	-	-	350,000

Valuation

Land and buildings/ Equipment (be specific) were not valued byin line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were not adopted.

22 b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the

amounts would be as follows :

	Cost Ksh	Accumulated Depredation Ksh	NBV Ksh
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	350,000	105,000	245,000
Total	350,000	105,000	245,000

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	-	-

*National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

24. Intangible Assets

Description	Period 2024 - 2025	
	KSh	Opening Statement 1st July 2024 KSh
Cost		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
At end of the Period	-	-
Additions-internal development	-	-
Disposal	-	-
At end of the Period	-	-
Amortization and impairment		
At beginning of the Period	-	-
Amortization	-	-
At end of the Period	-	-
Impairment loss	-	-
At end of the Period	-	-
NBV	-	-

25. Right-of use assets

Description	Building	Motor vehicles	Plant and equipment	Total
	KSh	KSh	KSh	KSh
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 June 2025	-	-	-	-
Accumulated Depreciation				

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 June 2025	-	-	-	-
Carrying Amount				
As at 30 June 2025	=	=	=	=

26. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	-		-	
Aging analysis: (Trade and other payables)	2024-2025	% of the Total	1st July	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	-	-	-

27. Third-Party deposits

Description	Period 2024 - 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Retention as at start of the period (A)	-		-	
Retention held during the period (B)	3,091,175		-	
Retention paid during the period (C)	3,091,175		-	
Closing Retention as at period 30th June, 2025 D= A+B-C	-		-	

28. Retentions aging analysis.

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

(The total above should be equal to the closing retention)

	2024-2025	% of the total	Insert Comparative FY	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

29. Lease Liabilities

Description	Period 2024 - 2025 Ksh	Opening Statement 1st July 2024 Ksh
Balance at the beginning of the period	-	-
Discount interest on lease liability	-	-
Paid during the period	-	-
At end of the period	-	-

Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	-
	-

Analysed as:

Description	Amount
Current	-
Non- Current	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Total	-
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29. Gratuity Provision

Description	Period 2024 - 2025 Ksh	Opening Statement 1st July 2024 Ksh
Gratuity at the beginning of the period (A)	1,095,013	-
Gratuity held during the period (B)	1,087,518	1,095,013.00
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period 2025 D=(A+B-C)	2,182,531.00	1,095,013.00

30. Cash Generated from Operations

	Period 2024 - 2025 Ksh
Surplus for the period before tax	(3,165,631)
Adjusted for:	
Depreciation	105,000
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Changes in receivables	(22,859,467)
Changes in deferred income	-
Changes in Third party deposits	(1,087,518)
Changes in gratuity provision	-
Changes in payments received in advance	-
Net cash flow from operating activities	20,781,354

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

20. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity'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 Entity 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 Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity 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.

Financial Risk Management

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

Description	Impaired
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National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

	KSh	KSh	KSh	KSh
As at 30th June 2024-2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	41,386,150	41,386,150	-	-
Bank balances	94,427,484	94,427,484	-	-
Total	135,813,634	135,813,634	-	-
As at 30 June (2023-2024)			-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	64,245,617.00	64,245,617.00	-	-
Bank balances	73,891,131	73,891,131	-	-
Total	138,136,748	138,136,748	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity’s credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity’s directors, who have 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 Entity 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	KSh	KSh	KSh	Total KSh
As at 30th June (2024-2025)				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision			2,182,531.00	
Total	-	-	2,182,531.00	-
As at 30th June (2023-2024)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions			1,095,013.00	

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Description	Less than 1	Between 1-3	Over 3	Total
	month	months	months	
	Khs	Khs	Khs	Khs
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	5,460,075	-

ii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity'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 way it manages and measures the risk.

a) Foreign currency risk

The Entity has no 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 Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

The following table demonstrates the effect on the Entity's statement of comprehensive income 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.

b) 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 Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity'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 Entity 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.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Entity's market assumptions. These two types of inputs have created the following fair value hierarchy:

National Government Constituencies Development Fund (NGCDF)

Kilifi North Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Entity considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1 KSh	Level 2 KSh	Level 3 KSh	Total KSh
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June (Previous FY)	-	-	-	-
Financial Assets	-	-	-	-
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

iv) Capital Risk Management

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

Description	2024 - 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve	65,222,603	137,041,735
Total Funds	65,222,603	137,041,735
Total Borrowings		
Less: Cash and Bank Balances	94,427,484	73,891,131
Net Debt/(Excess Cash And Cash Equivalents)	29,204,881	63,150,604
Gearing	0%	0%

21. Related Party Disclosures

	Invert current FY Kshs	Opening Statement 1 st July 2024 Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,421,200	-
		-
Transaction with the NGCDF Board		-
Transfers from the NGCDF Board during the year	197,386,150	-
Total		-

22. Segment Information

(Where an organization operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

23. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Invert Current FY Kshs	Opening Statement 1 st July 2024 Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

*National Government Constituencies Development Fund (NGCDF)
 Kilifi North Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025*

Contingent Liabilities

Description	Insert Current FY Kshs	Opening Statement 1 st July 20xx Kshs
Contingent Liabilities	-	-
Court Case xx against the Kilifi North	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

24. Capital Commitments

Capital Commitments	Insert Current FY Kshs	Opening Statement 1 st July 2024 Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorized by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

25. Events after the Reporting Period

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

26. Ultimate And Holding Entity

The Kilifi North Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

27. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	350,000	105,000	245,000
Total	350,000	105,000	245,000

(Attach the complete asset register showing all the assets in the constituency with the date of purchase, cost of the asset, depreciation rate, depreciation for the year, accumulated depreciation and the NBV of the assets)

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Annex 2 –PMC Bank Balances As At 30th June 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
ST. THOMAS GIRLS' SEC SCHOOL	COOPERATIVE	1141779533800		-
NGERENYA SEC SCHOOL	COOPERATIVE	1141779534000	977	977
MNARANI SEC SCHOOL	COOPERATIVE	1141779749600	509	509
WATAMU SEC SCHOOL	COOPERATIVE	1141779758900	22,997	22,997
KIWANDANI SEC SCHOOL	COOPERATIVE	1141779748200	1,862	1,862
KILIFI NORTH SUB COUNTY DCC	COOPERATIVE	1141779756400	26,846	26,846
MABIRIKANI CHIEF'S OFFICE	COOPERATIVE	1141779749700	-	-
DABASO CHIEF'S OFFICE	COOPERATIVE	1141779749300	0	0
GEDE PRY SCHOOL	COOPERATIVE	1141779607600	19	19
ARABUKO PRY SCHOOL	COOPERATIVE	1141779275000	416	416
NGALA MEM. GIRLS SEC SCHOOL	COOPERATIVE	1141779533000	-	-
RESERVE PRY SCHOOL	COOPERATIVE	1141779751100		
SITA PRY SCHOOL	COOPERATIVE	1141779760400	19,278	19,278
DABASO PRY SCHOOL	COOPERATIVE	1141779751500	102,313	102,313
UYOMBO MAWENI PRY SCHOOL	COOPERATIVE	1141779750600		
JIMBA GEDE SEC SCHOOL	COOPERATIVE	1141779533300		

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
MENYHEART SEC SCHOOL	COOPERATIVE	1141779751300	135	135
KILIFI NORTH CONSTITUENCY CASHEWNUT	COOPERATIVE	11417795998800		
JIMBA SECONDARY SCHOOL	KCB	1162646152		
MZIZIMA PRY SCHOOL	EQUITY	1060280997997	-	-
MADEVU PRY SCHOOL	EQUITY	1060281024053		
MITANGONI PRY SCHOOL	EQUITY	1060280960394		
ARABUKO PRY SCHOOL	EQUITY	1060280895448		
JACARANDA BEACH PRY SCH	EQUITY	1060280986844		
MTSANGANYIKO PRY SCHOOL	EQUITY	1060280714369	2,320	2,320
MTSANGANYIKO PRY SCHOOL	EQUITY	1060280639666		
MRIMA WA KUKU PRY SCHOOL	EQUITY	1060280960713		
MSABAHA PRY SCHOOL	EQUITY	1060280762318	37,088	37,088
DERA TUMAINI PRY SCHOOL	EQUITY	1060280758364		
MABUWANI PRY SCHOOL	EQUITY	1060280794161		
MBARAKACHEMBE PRY SCHOOL	EQUITY	1060280760780		
MBARAKACHEMBE SEC SCHOOL	EQUITY	1060280149430	152,234	152,234
MATSANGONI DIV. HDQS	EQUITY	1060280747628		
JIMBA GEDE PRY SCHOOL	EQUITY	1060281031566	23,000	23,000

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
JIMBA GEDE PRY SCHOOL	EQUITY	1060280764961	-	-
JEZA ZHOMU PRY SCHOOL	EQUITY	1060280627704		
EZAMOYO PRY SCHOOL	EQUITY	1060280627117		
KIWANDANI SEC SCHOOL	EQUITY	1060280705239	2,880	2,880
MABIRIKANI CHIEF'S OFFICE	EQUITY	1060280255775	1,107	1,107
KOROSHO SEC SCHOOL	EQUITY	1060280758399	600	600
MTONDIA PRY SCHOOL	EQUITY	1060281022506	122,743	122,743
SITA PRY SCHOOL	EQUITY	1060280823892	-	-
FB TUVA SEC SCHOOL	EQUITY	1060280714877	1,304	1,304
KILIFI NORTH DESKS PROJECT	EQUITY	1060280774641	-	-
KANANI PRY SCHOOL	EQUITY	1060280141571	-	-
FUMBINI PRY SCHOOL	EQUITY	1060280124711	-	-
MIKINGIRINI PRY SCHOOL	EQUITY	1060280140972	480	480
GEDE PRY SCHOOL	EQUITY	1060280142267	31,746	31,746
KADZINUNI PRY SCHOOL	EQUITY	1060282017187	-	-
KOROSHO SEC SCHOOL	EQUITY	1060282009845	-	-
RESERVE PRY SCHOOL	EQUITY	1060282013004	-	-
MARAFIKI SEC SCHOOL	EQUITY	1060282021303	25	25

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
LABORATORY STOOLS	EQUITY	1060282384167		-
SPORTS PROJECT COMMITTEE	EQUITY	1060282047314		-
PRIMARY SCHOOL DESKS	EQUITY	1060282374675		-
CHAIRS & LOCKERS PMC	EQUITY	1060282053228		-
GEDE MIXED SECONDARY SCHOOL	EQUITY	1060281133395	40,350	40,350
KILIFI SECONDARY SCHOOL	EQUITY	1060281204481	-	-
GEDE MIXED SECONDARY SCHOOL	EQUITY	1060281133417	2	2
MABUANI PRIMARY SCHOOL (2 CLASSROOMS)	EQUITY	106028115447	-	-
MITANGONI PRY SCHOOL	EQUITY	1060281314877	55,489	55,489
MTSANGANYIKO PRY SCHOOL(RAIN WATER HARVESTING)	EQUITY	1060280951568	-	-
SOYOSOYO PRY SCHOOL (SOLAR)	EQUITY	1060280998202	-	-
KIWANDANI SEC SCHOOL	EQUITY	1060282014393		
EMERGENCY SOYOSOYO	EQUITY	1060282374133	226,100	226,100
UYOMBO PRY SCHOOL-RENOVATION	EQUITY	1060282431128	-	-
EMERGENCY MKOMBE PRY SCHOOL 2NO CLASSROOMS	EQUITY	1060282376343	-	-
KIWANDANI PRIMARY SCHOOL-RENOVATION WORK	EQUITY	1060282012595	128,481	128,481
DABASO ASSISTANT CHIEFS OFFICE	EQUITY	1060282022448	91,700	91,700
GEDE PRY SCHOOL-6 DOOR TOILET	EQUITY	1060282010412	11,284	11,284

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
JACARANDA BEACH PRY SCH-RENOVATION WORKD	EQUITY	1060282014697	-	-
SOYOSOYO PRIMARY SCHOOL (WATAMU)-6 DOOR TOILET	EQUITY	1060282079334	13,484	13,484
MABUANI PRIMARY SCHOOL (6 DOOR TOILET BLOCK)	EQUITY	1060282013862	1,104	1,104
DABASO ASSISTANT CHIEFS TOILET BLOCK	EQUITY	1060282022430		-
JEZA ZHOMU PRY SCHOOL-2NO CLASSROOMS BLOCK	EQUITY	1060282014930	24,576	24,576
BOFA SECONDARY SCHOOL-2NO CLASSROOM BLOCK	EQUITY	1060282013229	-	-
NGERENYA PRY SCHOOL-2 NO CLASSROOM BLOCK	EQUITY	1060282017417	95,290	95,290
FUMBINI SECONDARY SCHOOL-SINGLE LAB	EQUITY	1,060,282,014,136	8,200	8,200
NGALA PRY SCHOOL- RENOVATION WORK	EQUITY	1060282088052	70,600	70,600
KONJORA SECONDARY SCHOOL	EQUITY	1060282012962	-	-
ZOWERANI PRY SCHOOL-RENOVATION WORK	EQUITY	1060282012024	3,753	3,753
BAHARI PRY SCHOOL	EQUITY	1060282022962	19,633	19,633
SOYOSOYO SECONDARY SCHOOL (TEZO) 6DOOR TOILET BLOCK	EQUITY	1060282022438	-	-
SOYOSOYO SECONDARY SCHOOL (TEZO) RENOVATION WORK	EQUITY	1060282012688	-	-
KILIMO PRIMARY SCHOOL-RENOVATION	EQUITY	1,060,282,013,283	-	-
KOROSHO SEC SCHOOL-TOILET BLOCK	EQUITY	1,060,282,009,845	-	-
MAVUENI PRY SCHOOL-3CLASSROOM BLOCK	EQUITY	1060282095888	600	600

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
TAKAUNGU PRY SCHOOL-2NO CLASSROOM BLOCK	EQUITY	1060282022438	-	-
RESERVE PRY SCHOOL-6 DOOR TOILET BLOCK	EQUITY	1060282013004		
MKONGANI SECONDARY SCHOOL	EQUITY	1060282013561		
MKONGANI SECONDARY SCHOOL-6 DOOR TOILET BLOCK	EQUITY	1060282013587		
KILIFI NORTH NG CDF RAINWATER HARVESTING	EQUITY	1060282286430		
KILIFI NORTH NG CDF CHAIRS & LOCKERS PROJECT	EQUITY	1060282053228		
KILIFI NORTH DESK PROJECT	EQUITY	1060282374675		
MABUANI PRIMARY SCHOOL-2 CLASSROOMS	EQUITY	1060282374675		
KILFI NORTH LABORATORY STOOLS	EQUITY	1060282384167		
KILIFI NORTH NG-CDF KILIFI NORTH SPORTS PROJECT	EQUITY	1060282047314		
KIBAONI PRIMARY SCHOOL	EQUITY	1,060,284,121,972	3,242	3,242
MKANGAGANI PRIMARY SCHOOL	EQUITY	1,060,284,137,896	9,998	9,998
MKANGAGANI PRIMARY SCHOOL-4NO CLASSROOM	EQUITY	1,060,284,149,905	4,424	4,424
MBOGOLO PRIMARY SCHOOL	EQUITY	1,060,284,164,977	-	-
BOFA SECONDARY SCHOOL-TOILET	EQUITY	1,060,284,114,531	25,000	25,000
MSABAHA PRIMARY SCHOOL	EQUITY	1,060,284,149,667	7,074	7,074
DONGOKUNDU PRIMARY SCHOOL	EQUITY	1,060,284,130,786	273	273
CHANDO PRIMARY SCHOOL	EQUITY	1,060,284,130,105	274	274

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
OLDFERRY PRIMARY SCHOOL	EQUITY	1,060,284,130,464	3,272	3,272
KIRIBA PRIMARY SCHOOL	EQUITY	1,060,284,133,809	9,084	9,084
ST. THOMAS GIRLS SECONDARY SCHOOL	EQUITY	1,060,284,122,412		2,149
MKOMBE PRIMARY SCHOOL	EQUITY	1,060,284,150,062	273	273
MKOMBE PRIMARY SCHOOL	EQUITY	1,060,284,147,434	1,714	1,714
KOROSHO SECONDARY SCHOOL	EQUITY	1,060,284,121,299	5,617	5,617
KILIFI NORTH DESKS PROJECTS	EQUITY	1,060,284,165,087	14,425	14,425
KILIFI NORTH CHAIRS & LOCKERS PROJECT	EQUITY	1,060,284,164,015	-	-
KILIFI NORTH ENVIRONMENT PROJECT	EQUITY	1,060,284,164,772	425	425
MADEVU PRIMARY SCHOOL	EQUITY	1,060,284,147,692	274	274
JIMBA CHIEF'S OFFICE	EQUITY	1,060,284,126,110	1,273	1,273
KONJORA SECONDARY SCHOOL	EQUITY	1,060,284,114,724	19,411	19,411
KIRINGI PRIMARY SCHOOL	EQUITY	1,060,284,118,427	3,409	3,409
KADZINUNI PRIMARY SCHOOL-TOILET	EQUITY	1,060,284,219,112	51,188	51,188
MDZONGOLONI PRIMARY SCHOOL	EQUITY	1,060,284,213,925	2,049	2,049
MKOMANI PRIMARY SCHOOL-TOILET	EQUITY	1,060,284,133,753	51,189	51,189
MAJAONI SECONDARY SCHOOL-DINING HALL	EQUITY	1,060,284,147,109	1,830,928	1,830,928
SIDZENI PRIMARY SCHOOL-2 NO CLASSROOM	EQUITY	1,060,284,121,934	8	8

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
UYOMBO MAWENI PRIMARY SCHOOL	EQUITY	1,060,284,121,721	3,366	3,366
KILIFI NORTH DCC FURNITURE PROJECT	EQUITY	1,060,284,201,890	-	-
EMERGENCY- MDZONGOLONI PRIMARY SCHOOL	EQUITY	1,060,284,213,919	6,673	6,673
KARARACHA PRIMARY SCHOOL JSS	EQUITY	1,060,284,164,015	117	-
KILIMO PRIMARY SCHOOL JSS	EQUITY	1,060,284,164,772	1865	-
KILIMO PRIMARY SCHOOL	EQUITY	1,060,284,147,692	50	-
MIDA PRIMARY SCHOOL JSS	EQUITY	1,060,284,126,110	964	-
KIBOKONI PRIMARY SCHOOL	EQUITY	1,060,284,114,724	958039	-
MTONDIA PRIMARY SCHOOL JSS	EQUITY	1,060,284,118,427	2842	-
MTONDIA PRIMARY SCHOOL	EQUITY	1,060,284,164,772	698	-
MIDA PRIMARY SCHOOL	EQUITY	1,060,284,164,015	115	-
ST THOMAS PRIMARY SCHOOL JSS	EQUITY	1,060,284,164,772	839	-
MNARANI PRIMARY SCHOOL	EQUITY	1,060,284,147,692	8136314	-
MITANGONI PRIMARY SCHOOL	EQUITY	1,060,284,126,110	1800000	-
KIWANDANI PRIMARY SCHOOL	EQUITY	1,060,284,114,724	1000000	-
MATSANGONI PRIMARY SCHOOL	EQUITY	1,060,284,118,427	1800000	-
MWAMBANI PRIMARY SCHOOL	EQUITY	1,060,284,164,015	1800000	-
MAWE YA KATI PRIMARY SCHOOL	EQUITY	1,060,284,164,772	1600000	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
KILODI PRIMARY SCHOOL	EQUITY	1,060,284,147,692	1600000	-
KONJORA PRIMARY SCHOOL	EQUITY	1,060,284,126,110	1600000	-
NGERENYA SECONDARY SCHOOL	EQUITY		977	-
MNARANI SECONDARY SCHOOL	EQUITY	1,060,284,164,015	509	-
WATAMU SECONDARY SCHOOL	EQUITY	1,060,284,164,772	22997	-
KIWANDANI SECONDARY SCHOOL	EQUITY	1,060,284,147,692	1862	-
MENYHEART SECONDARY SCHOOL	EQUITY	1,060,284,126,110	135	-
KIWANDANI SECONDARY SCHOOL	EQUITY	1,060,284,114,724	2880	-
KOROSHO SECONDARY SCHOOL	EQUITY	1,060,284,118,427	600	-
FB TUVA SECONDARY SCHOOL	EQUITY	1,060,284,164,015	1304	-
MARAFIKI SECONDARY SCHOOL	EQUITY	1,060,284,164,772	25	-
GEDE MIXED SECONDARY SCHOOL	EQUITY	1,060,284,147,692	40350	-
FUMBINI SECONDARY SCHOOL	EQUITY	1,060,284,164,015	2	-
KOROSHO SECONDARY SCHOOL	EQUITY	1,060,284,164,772	8200	-
KONJORA SECONDARY SCHOOL	EQUITY	1,060,284,147,692	5617	-
MAJAONI SECONDARY SCHOOL-D/HALL	EQUITY	1,060,284,126,110	19411	-
MKONGANI SECONDARY SCHOOL	EQUITY	1,060,284,118,427	17935	-
WATAMU SECONDARY SCHOOL	EQUITY	1,060,284,164,015	1663871	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
KILIFI TOWNSHIP SECONDARY SCHOOL	EQUITY	1,060,284,164,772	28676	-
CHUMANI GIRLS SECONDARY SCHOOL	EQUITY	1,060,284,164,015	6748767	-
KOROSHO SECONDARY SCHOOL	EQUITY	1,060,284,164,772	6030128	-
EZAMOYO SECONDARY SCHOOL	EQUITY	1,060,284,147,692	1653124	-
CHUMANI GIRLS SCHOOL BUS	EQUITY	1,060,284,126,110	250	-
MKANGAGANI SECONDARY SCHOOL	EQUITY	1,060,284,114,724	48	-
MKWAJUNI PRIMARY SCHOOL	EQUITY	1,060,284,118,427	49597	-
EZAMOYO SECONDARY SCHOOL	EQUITY	1,060,284,121,299	1653581	-
RG NGALA SECONDARY SCHOOL	EQUITY	1,060,284,165,087	4424	-
KILIFI NORTH NG CDF ENVIROMENT	EQUITY	1,060,284,133,809	9657766	-
EZAMOYO CHIEFS OFFICE	EQUITY	1,060,284,122,412	425	-
KILIFI NORTH SUBVOUNTY DCC	EQUITY	1,060,284,150,062	2,445.00	-
DABASO ASSISTANT CHIEFS OFFICE	EQUITY	1,060,284,147,434	26,846.00	-
MABIRIKANI CHIEFS OFFICE	EQUITY	1,060,284,121,299	91,700.00	-
JIMBA CHIEFS OFFICE	EQUITY	1,060,284,165,087	1,107.00	-
DABASO CHIEFS OFFICE	EQUITY	1,060,284,164,015	1,273.00	-
UYOMBO CHIEF'S OFFICE	EQUITY	1,060,284,164,772	15,261.50	-
HOSPITAL CHIEFS OFFICE	EQUITY	1,060,284,147,692	1,000,000.00	-

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
KILIFI NORTH ICT HUB	EQUITY	1,060,284,164,772	1,000,000.00	-
MIDA PRIMARY SCHOOL	EQUITY	1,060,284,121,299	13,850.00	-
EMERGENCY -MDZONGOLONI PRY SCHOOL	EQUITY	1,060,284,165,087	-	-
MKOMBE PRIMARY SCHOOL	EQUITY	1,060,284,121,399	6,673.00	-
MADETENI PRIMARY SCHOOL	EQUITY	1,060,284,165,187	1,714.00	-
Total			51,469,362.50	8,387.00

Annex 3: Progress On Follow Up of Auditor Recommendations

The following is a summary of issues raised by the external auditor, management comments provided to the auditor, and subsequent progress made on resolving the issues.

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	The statement of receipts and payments and Note 8 to the financial statements reflects other grants and other transfers totaling to Kshs.88, 010,163. Included in this amount is Kshs.33,535,000,Kshs.27,089,502 and Kshs.4,000,000in respect to bursary to secondary schools, tertiary institutions and special schools respectively all totaling to Kshs.64,624,502.00.However, bursary application register, vetting minutes, bursary application list (database) detailing the number of applicants and status of their applications and vetting and awarding criteria were not provided. Further, examination of bursary files containing the payment and acknowledgement records revealed that bursaries amounting to Kshs.3, 302,000 disbursed to various tertiary institutions had not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.		Not Resolved	Awaiting appearance before Decentralized Funds Accounts Committee of the National Assembly

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Reference to 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)																					
	<p>The statement of receipts and payments and Note 8 to the financial statements reflects other grants and other transfers totaling Kshs.88, 010,163. Included in this amount is Kshs.33,535,000, Kshs.27,089,502 and Kshs.4,000,000 in respect to bursary to secondary schools, tertiary institutions and special schools respectively all totaling to Kshs.64,624,502.00. However, Kshs.12,359,502.00 were wrongly classified as indicated in the summarized table below: -</p> <table border="1" data-bbox="248 900 1021 1069"> <thead> <tr> <th colspan="7">Bursary Secondary</th> </tr> <tr> <th>DATE</th> <th>P. V. N o</th> <th>PAYEE</th> <th>DESCRIPTIO N</th> <th>AMOU NT</th> <th>C H Q</th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Bursary Secondary							DATE	P. V. N o	PAYEE	DESCRIPTIO N	AMOU NT	C H Q										Not Resolved	Awaiting appearance before Decentralized Funds Accounts Committee of the National Assembly
Bursary Secondary																									
DATE	P. V. N o	PAYEE	DESCRIPTIO N	AMOU NT	C H Q																				

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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)
	15.09.2023	45	Various Institutions	Being payment of bursary to needy students in various secondary schools	1,735,000	4775-4832	Examination of the voucher revealed that the payment was for Tertiary bursary and was misclassified to secondary school hence overstating the expenditure with Kshs.1,735,000		
	Tertiary Institutions								
	30.04.2024	128	Various Tertiary Institutions	Being payment of bursary to various secondary schools.	5,224,502	6229-6520	Examination of the voucher revealed that the payment was for secondary school bursary and was misclassified to Tertiary hence overstating the expenditure with Kshs.5,224,502		

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Issue / Observations from Auditor							Management comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
05.06.2 024	14 8	various schools	Being payment of bursary to various students with special needs in tertiary institutions & sec schools	4, 400,00 0	65 69 - 66 36	Examination of the voucher revealed that the payment was for secondary school bursary and was misclassified to Tertiary hence overstating the expenditure with Kshs.4,400,000			
30.04.2 024	12 7	various schools	being payment of bursary to various special secondary schools	1, 000,00 0	62 28 - 62 78	Examination of the voucher revealed that the payment was for secondary school bursary and was misclassified to Tertiary hence overstating the expenditure with Kshs.1,000,000			
Total				12,359, 502					
1.1. Substandard Works-Luxury School Bus Criteria Section 68 of the Public Finance Management Act,							Not Resolved	Awaiting appearance before Decentra	

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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)
	<p>2012 states that an accounting officer for a national government entity, Parliamentary Service Commission, and the Judiciary shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the accounting officer are used in a way that is lawful and authorized; and effective, efficient, economical , transparent and ensure that all contracts entered into by the entity are lawful and are complied with.</p> <p>Observation</p> <p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects payments in respect of transfers to other Government units totalling Kshs.98,226,466. Out of the amount, payments totalling Kshs.36,252,391 were in respect of transfers to Primary Schools' Project Management Committees (PMCs) and payments totalling to Kshs.61,974,075 in respect of transfers to Secondary Schools' PMCs. As previously reported, an amount of Kshs.7,105,054 was transferred in the financial year ending 30 June, 2023 to St. Thomas Girls' Secondary School being advance payment for purchase of a luxury bus awarded to a local motor vehicle dealer at a contract sum of Kshs.13,860,000.The contract was</p>		<p>lized Funds Accounts Committee of the National Assembly</p>	

*National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

Reference	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
	signed on 15 June, 2023. The last installment payment of Kshs.6,754,946 was made in November, 2023. However, it was noted that curtains were not fitted on the windows and a stereo system with a television and charging systems were not installed. In addition, the paint work was already peeling off an indication of poor workmanship.															
	<p>The statement of receipts and payments and Note 7 and Note 8 to the financial statements reflects transfer to other Government Units totaling to Kshs.98,226,466 and other grants and transfers totaling to Kshs.88,010,163. Physical verification carried out on 2 December, 2024 for thirteen (13) projects valued at Kshs.44,608,080 revealed the following:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Project Name</th> <th>Project Description</th> <th>Amount paid</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mkangagani Secondary School</td> <td>Being Transfer of Funds to PMC account for Construction of 4 No classroom</td> <td>4,755,391</td> </tr> <tr> <td>2</td> <td>Mkangagani</td> <td>Being Transfer of Funds to PMC</td> <td>2,770,748</td> </tr> </tbody> </table>	No.	Project Name	Project Description	Amount paid	1	Mkangagani Secondary School	Being Transfer of Funds to PMC account for Construction of 4 No classroom	4,755,391	2	Mkangagani	Being Transfer of Funds to PMC	2,770,748	<p>Mkangagani primary school- This is a new school hence the office is in communication with the director of education office for its handing over. The management will engage the contractor on the same to make sure there is signage on the project.</p> <p>RG Ngala Secondary School- the project runs on phases hence the contractor is waiting for payment for the second phase so as to finalize the last phase. The management is yet to receive funds for the final</p>	Not Resolved	Awaiting appearance before Decentralized Funds Accounts Committee of the National Assembly
No.	Project Name	Project Description	Amount paid													
1	Mkangagani Secondary School	Being Transfer of Funds to PMC account for Construction of 4 No classroom	4,755,391													
2	Mkangagani	Being Transfer of Funds to PMC	2,770,748													

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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)
	Secondary School account for Construction of 4 door toilet	phase. The management will act adequately		
3	Rg Ngala Secondary School Being Transfer of Funds to PMC account for construction of 8 door classroom and administration block.	10,000,000 St. Project was on going. The management has started the process to stage the Baso Primary school sports management contract a follow up to correct the same. Gede Mixed Secondary School-		
4	Rg Ngala Secondary School Being Transfer of Funds to PMC account renovation works	2,472,150 There was no fume chamber, no gas cylinder and no piping for gas connection. The contractor has been sent to the group to rectify the anomaly.		
5	St. Thomas Girls Secondary School Purchase of a school bus	6,758,870 Emergency lights were not fitted on the distribution and a system with a television and having attached the distribution list		
6	Basi Primary School Renovation of classrooms	3,136,190 Baso primary school 8 classrooms out of the 9 had visible cracks on the walls floor and roof of the classrooms.		

National Government Constituencies Development Fund (NGCDF)
 Kilifi North Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025

Issue / Observations from Auditor				Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7	Gede Mixed Secondary School	Construction of science laboratory	1,842,312	The peeling of the roof in some classrooms, was based on the plan and was piped in for gas of a gaseous type. The bill of materials shall reengage the contractor to make sure for the cracks repaired.		
8	Emergency-Ict Hub	Equipment of Ict hub - (donation of 100 no. desktop computers to 3 hudumacentres)	3,669,100	The contractor made list for the desktop computers was not provided. Primary School- a section of the gutter had fallen off and required urgent repair.		
9	Basi Primary School	Being Transfer of Funds to PMC account for completion of renovation of 9 classrooms	4,758,732	This class room due to the natural calamity cracks on the gutter, the shall repair it under emergency fund. The peeling of in some sections Dongokundu Primary School. The management has noted the leaking gutter.		
10	Sidzeni Primary School	Being Transfer of Funds to PMC account for 2 No of classroom block	2,400,000	that section of the gutter had appeared and required urgent repair. Mkwangani Primary School- The project Management		
11	Dongokundu Primary School	Being Transfer of Funds to PMC account for 2 No of classroom block	2,396,374	Committee did not conduct a proper Monitoring and evaluation on the project as it progressed hence metal doors for 20 cement sand brick rain for 30 classrooms was water only		

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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)
				fixed and detached later. The management has noted that the staircase had peeled off due to poor workmanship.		
12	Mkangagani Primary School	Being Transfer of Funds to PMC account renovation works	644,968	and the project to undertake monitoring and evaluation on the particular project and give way for the project as it has progressed. The management has noted and shall be kept in 3 bills of quantities.		
13	Jimba Chief's And Assistant Chief's Office	Construction of Jimba Chief's and Assistant Chief's office	1,496,945	The painting was of water paint instead of a gloss oil paint and the floor was plastered instead of ceramic tiles.		
	Total		44,608,080			
The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.337,883,107 and Kshs.273,637,490 respectively					Not Resolved	Awaiting appearance before

National Government Constituencies Development Fund (NGCDF)
Kilifi North Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
<p>resulting to an under-funding of Kshs.64,245,617 or 23% Similarly, the fund spent an amount of Kshs.208,414,887.00 against actual receipts of Kshs.273,637,490 resulting to an under-utilization of Kshs.65,222,603.00 or 24%.</p>			Decentralize d Funds Accounts Committee of the National Assembly
<p>The statement of receipts and payments and Note 8 to the financial statements reflects other grants and other transfers totaling to Kshs.88,010,163. Included in this amount is Kshs.33,535,000, Kshs.27,089,502 and Kshs.4,000,000 in respect of bursary to secondary schools, tertiary institutions and special schools respectively all totaling to Kshs. 64,624,502.00. However, the total bursary disbursed was 19% of total allocated to the constituency which is 6% lower than the minimum 25% requirement.</p>	<p>The management noted the mistake after the approval of the proposal hence will be keen in the preparation of the other upcoming proposal.</p>	Not Resolved	Awaiting appearance before Decentralize d Funds Accounts Committee of the National Assembly

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Name:Michael Muema

