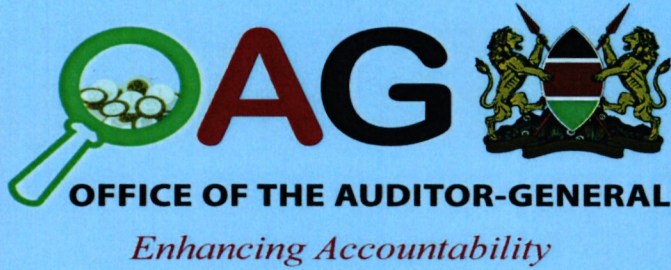


REPUBLIC OF KENYA



# REPORT

PARLIAMENT  
OF KENYA  
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OF

**THE AUDITOR-GENERAL**

THE NATIONAL ASSEMBLY	
ON	
DATE: 29 NOV 2022	DAY: TUESDAY
TABLED BY:	LOM
CLERK-AT THE-TABLE:	Moses Lemuna

**MASINGA TECHNICAL AND  
VOCATIONAL COLLEGE**

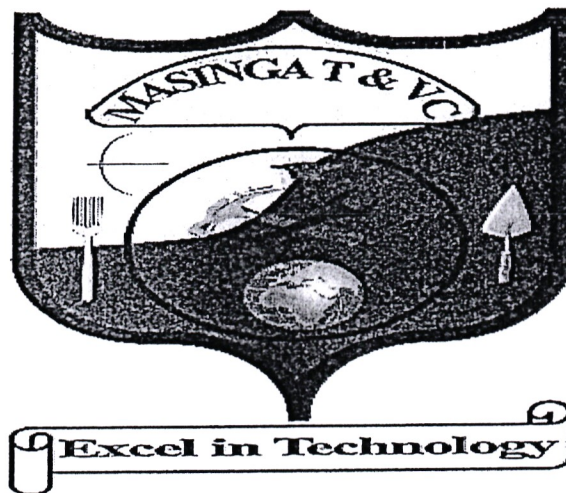
**FOR THE YEAR ENDED  
30 JUNE, 2021**



OFFICE OF THE AUDITOR GENERAL  
P. O. BOX 30774 - 00100, NAIROBI  
KENYA  
03 AUG 2022

# MASINGA TECHNICAL AND VOCATIONAL COLLEGE

P. O. BOX 181-90141MASINGA. Cell Phone 0746327094  
Email: [masingatechnical@gmail.com](mailto:masingatechnical@gmail.com)



## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2021

---

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

THE NATIONAL ASSEMBLY	
DATE: 29 NOV 2022	
TABLED BY:	
CLERK-AT THE TABLE:	

**MASINGA TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

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**MASINGA TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Masinga Technical and Vocational College was established under the TVET Act 2013. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

**(b) Principal Activities**

The principal activity/mission of Masinga Technical and vocational college is to produce graduates with competent skills that meet the dynamic demands of the industry.

**(c) Key Management**

The Masinga Technical and Vocational College's day-to-day management is under the following key organs:

- Board of Governors members;
- Accounting officer/ Principal
- Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

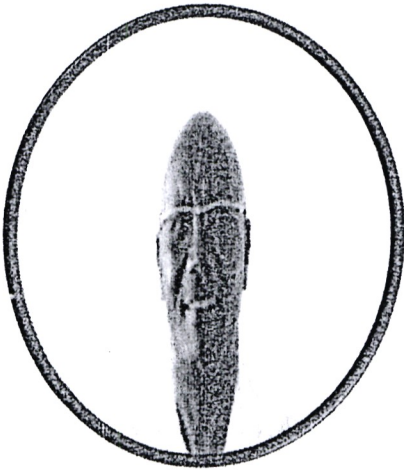
No.	Designation	Name
1.	Principal	Kenneth C.K. Njoroge
2.	Deputy Principal	Titus Nzioki
3.	Registrar	Jacinta Mwikali Mutula
4.	Head of Finance	Edgar Opiyo

**(e) Fiduciary Oversight Arrangements**

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Audit and risk committee activities
- Finance and operations committee activities
- Academic committee activities

Masinga Technical and Vocational College is working on putting up an Audit committee to enhance the oversight responsibility. This is to take place in the financial year 2022/2023.



**Titus Nzioki-Deputy Principal**

Mr. Nzioki has over Twenty years in Education where he served through the ranks and becoming a principal in various high schools before switching to technical education. He holds a Master's degree of Education in leadership and policy studies from Moi University.



**Jacinta Mutula-Registrar**

Ms. Mutula has a great experience in IT and management at large which she has acquired over a period of time both in public and private sector. She holds Bachelor of Science in Information Technology and Diploma in information Technology from JKUAT



**Edgar Opiyo-Accountant**

Edgar has a vast experience of over 4years in accounting from both public and private sector. He is in his final stage of CPA.

#### IV. CHAIRMAN'S STATEMENT



It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. It is our undertaking to ensure that MTVC has a credible Strategic Plan and Performance Contract that will deliver the desired goals.

It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

The Strategic Plan of Masinga Technical Vocational College (MVTC) has been developed through an all-inclusive participatory process. It articulates the Institute's Vision for Kenya's TVET System and identifies the strategic imperatives to be implemented during the next five years. It goes on to prioritize specific resources upon which the college will be focused.

The Strategic Plan is developed in the context of increasing global competitiveness and the needs of Kenyan within Kenya Vision 2030. The underpinning values are inclusion, participation and relevance. In line with this, the Institute's priorities include tackling the various existing challenges especially given the fact that our college is in the Arid and Semi – arid Areas (ASAL)

. Through Strategic Planning the Institute seeks to provide relevant knowledge and skills that addresses the needs of the domestic and global economy.

Our challenge therefore is to identify the needs of our communities and infuse training in technologies and concepts that are practical in line with industry demands.

The college is committed to gradually introduce Competency Based Education and Training (CBET) with a major focus on infusing industry expectations in our training methodologies. In this regard, the Plan proposes a systematic facet of issues from which pertinent objectives are realized and addressed through derived strategies.

**The College involves in activities such as tree planting**



*Community participating in Tree planting event*

**X. REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Masinga's affairs.

**Principal activities**

The principal activities of the entity are to provide quality technical Education.

**Results**

The results of the entity for the year ended June 30 are set out on page

**BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page ii. During the year no director retired/ resigned and no one was appointed.

## MASINGA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

### Auditors

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

By Order of the Board

Secretary

Nairobi

Date.....

### XI. STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)) require the board members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The council members are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The board members are also responsible for safeguarding the assets of the entity.

The board members are 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, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the Masinga Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act 2013). The board members are of the opinion that the Masinga Technical and Vocational College's financial statements give a true and fair view of the state of Masinga TVC's transactions during the financial year ended June 30, 2021, and of the Masinga TVC's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the *College*, which have been relied upon in the preparation of the Masinga TVC's financial statements as well as the adequacy of the systems of internal financial control.

**MASINGA TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

Nothing has come to the attention of the council members to indicate that the entity 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 Masinga Technical and Vocational College's financial statements were approved by the Board and signed on its behalf by:

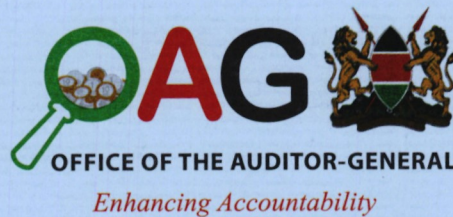
Name... *Patrick S. KITHOME*  
Signature... *[Signature]* 03/08/2022  
Chairperson of the Board

Name... *Kenneth C.K. Njoroge*  
Signature... *[Signature]*  
Accounting Officer/Principal



# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON MASINGA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

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### PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Masinga Technical and Vocational College set out on pages 1 to 15, which comprise the statement of financial

position as at 30 June, 2021, and the statement of 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 financial statements present fairly, in all material respects, the financial position of Masinga Technical and Vocational College as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Technical and Vocational Education Training (TVET) Act, 2013 and Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of the financial statements revealed the following anomalies:

- i. The statement of financial performance reflects rendering of services – fees from students amount of Kshs.11,624,867 which differs with Note 6 to the financial statement balance of Kshs.11,883,917, resulting to a difference of Kshs.259,050.
- ii. The statement of comparison of budget and actual amounts reflects actual on comparable basis total income of Kshs.13,383,917. However the correct total is Kshs.13,124,867 resulting to misstatement of Kshs.259,050.
- iii. The statement of comparison of budget and actual amounts reflects performance difference amount of Kshs.1,638,956 for general expense item. However the correct amount obtained on recomputation is Kshs.3,138,956 resulting to unexplained variance of Kshs.1,500,000.
- iv. Statement of comparison of budget and actual amounts reflects total expenditure amount of Kshs.11,883,917 while the statement of financial performance reflects total expenditure amount of Kshs.11,526,936, resulting to a variance of Kshs.356,981.
- v. Statement of comparison of budget and actual amounts reflects net surplus balance of Kshs.1,571,785 while the statement of financial performance reflects net surplus balance of Kshs.1,856,981 resulting to unexplained variance of Kshs.285,196.

- vi. The statement of cash flows reflects total receipts from operating activities of Kshs.13,383,917. However, re-computation of the balance revealed the correct total is Kshs.13,642,967, resulting in a difference of Kshs.259,050.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

## **2. Unsupported Expenditure on Use of Goods and Services**

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects use of goods and services expenditure of Kshs.7,378,519. The expenditure includes amount incurred on various items totalling to Kshs.3,952,550 which were not adequately supported.

In the circumstances, the accuracy and completeness of the use of goods and services expenditure of Kshs.7,378,519 could not be confirmed.

## **3. Property, Plant and Equipment Omitted from Financial Statements**

The statement of financial position reflects nil balance on non-current assets. However, review of documents revealed that the College had property, plant and equipment which had not been valued and hence not included in the financial statements. Further, the College land and the related developments were not included in the statement of financial position.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

## **4. Unsupported Cash and Cash Equivalents Balance**

The statement of financial position and as disclosed in Note 12 to the financial statements reflects cash and cash equivalents balance of Kshs.1,571,785. However, the balance was not supported with board of survey certificate. Further, the approval from The National Treasury to open and operate the bank account was not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,571,785 could not be confirmed.

## **5. Long Outstanding Receivables from Exchange Transactions**

The statement of financial position and Note 14 to the financial statements reflects current portion of receivables from exchange transactions balance of Kshs.5,149,259. Included in the balance are receivables from students which were over 90 days, totalling to Kshs.3,994,154.

In the circumstances, accuracy and completeness of the receivables from students of Kshs.5,149,259 could not be confirmed and recoverability of long outstanding receivables totalling to Kshs.3,994,154 is doubtful.

## **6. Unsupported Inventories Balance**

The statement of financial position and Note 15 to the financial statements reflects inventories balance of Kshs.2,932,025. However, the balance was not supported with stock sheets and stock records. Further, the College did not have an inventory management system to control the receipts and issues of stores. This is in contravention of the provisions of Section 161(1) of the Public Procurement and Disposal Act, 2015 which requires maintenance of effective management of stores items.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.2,932,025 could not be confirmed.

## **7. Unsupported Trade and Other Payables from Exchange Transactions**

The statement of financial position and Note 16 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.1,370,843. However, the balance was not supported with aging analysis and accounts statements for the individual creditor.

In the circumstances, the accuracy and completeness of payables from exchange transactions balance of Kshs.2,932,025 could not be confirmed.

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

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.14,340,456 and Kshs.13,383,917 respectively resulting to an under-funding of Kshs.956,539 or 7% of the budget. Similarly, the College expended Kshs.11,883,917 against the actual receipts of Kshs.13,383,917 resulting to an under-absorption of Kshs.1,500,000 or 11% of the budget.

The underfunding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the public.

### **Key Audit Matters**

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Remuneration of Board of Governors**

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects remuneration of directors balance of Kshs.109,000. However, there were no approved rates for payments of the Board of Governors. This is contrary to the provisions of Section 17 of the Second Schedule of the Technical and Vocational Education Training Act, 2013, which states that members of the Board of Governors shall be paid in respect of their services such remuneration or allowances as the Board shall determine with the approval of the Cabinet Secretary.

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

#### **2. Non-Compliance with the Law on Ethnic Composition**

During the year under review, the total number of employees of the College was thirty-one (31) out of which nineteen (19), of the total number were members of the dominant ethnic community in the College. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community".

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Approved Human Resource Policy Documents**

Review of personnel records revealed that the College does not have a Human Resource Department and staff who are trained in human resources matters. Further, the College does not have an approved Staff Establishment and Human Resource Policy Manual to guide in staff matters such as recruitment, remuneration, discipline and progression. This is a contravention of Part II- Section B2 (1 & 2) of Human Resource Policies and Procedures Manual for Public Service of 2016.

In the circumstances, Management was in breach of law and lacks basis for human resource management

### **2. Lack of Internal Audit Function and Audit Committee**

The College has not established an internal audit function and an Audit Committee of the Board. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee of the Board. As such, the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, Management was in breach of law.

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

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the 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**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

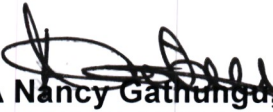
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**19 September, 2022**

**MASINGA TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2020-2021	2019-2020
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	5	1,500,000.00	2,000,000.00
<b>Total revenue from non-exchange transactions</b>		<b>1,500,000.00</b>	<b>2,000,000.00</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	6	11,624,867.00	5,357,870.00
Hire of facilities and equipment (Rooms)	7	259,050.00	-
<b>Revenue from exchange transactions</b>		<b>11,883,917.00</b>	<b>5,357,870.00</b>
<b>Total revenue</b>		<b>13,383,917.00</b>	<b>7,357,870.00</b>
<b>Expenses</b>			
Use of goods and services	8	7,378,519.00	3,492,780.00
Employee costs	9	3,779,817.00	1,811,160.00
Remuneration of directors	10	109,000.00	205,000.00
Repairs and maintenance	11	259,600.00	42,720.00
<b>Total expenses</b>		<b>11,526,936.00</b>	<b>5,590,215.00</b>
<b>Net Surplus for the year</b>		<b>1,856,981.00</b>	<b>1,767,655.00</b>


The notes set out on pages 10 to 11 form an integral part of the Annual Financial Statements.

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**XIV. STATEMENT OF FINANCIAL POSITION AS AT JUNE 2021**

	Notes	2020-2021	2019-2020
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	1,571,785.00	286,111.00
Current portion of receivables from exchange transactions	13	5,149,259.00	6,766,710.00
Receivables from non-exchange transactions	14	259,050.00	-
Inventories	15	2,932,025.00	1,431,437.00
<b>Total assets</b>		<b>9,912,119.00</b>	<b>8,484,258.00</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	16	1,370,843.00	1,880,963.00
Refundable deposits from customers	17	197,400.00	116,400.00
<b>Total liabilities</b>		<b>1,568,243.00</b>	<b>1,997,363.00</b>
Reserves		-	-
Accumulated surplus		6,342,876.00	4,485,895.00
Capital Fund		2,001,000.00	2,001,000.00
<b>Total net assets and liabilities</b>		<b>9,912,119.00</b>	<b>8,484,258.00</b>

The Financial Statements set out on pages 1 to 15 were signed on behalf of the Institute Board of Governors by:


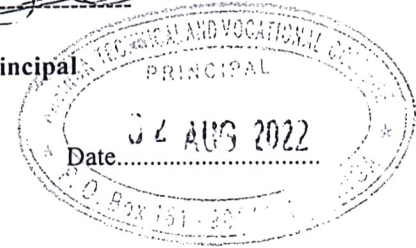
-----  
  
 Chairman of Board of Governors

-----  
 Finance Officer  
 ICPAK No

Principal

Date: 03/08/2022

Date

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XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	-	-	2,718,240.00	-	2,718,240.00
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	1,767,655.00	-	1,767,655.00
Capital/Development grants received during the year	-	-	-	2,001,000.00	2,001,000.00
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2020	-	-	4,485,895.00	-	4,485,895.00
At July 1, 2020	-	-	4,485,895.00	-	4,485,895.00
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	1,856,981.00	-	1,856,981.00
Capital/Development grants received during the year	-	-	-	2,001,000.00	2,001,000.00
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2021	-	-	6,342,876.00	2,001,000.00	8,343,876.00

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XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	5	1,500,000.00	2,000,000.00
Rendering of services- Fees from students	6	11,883,917.00	5,357,870.00
Hire of facilities and equipment (Rooms)	7	259,050.00	-
<b>Total Receipts</b>		<b>13,383,917.00</b>	<b>7,357,870.00</b>
<b>Payments</b>			
Use of goods and services	8	7,383,769.00	3,531,335.00
Compensation of employees	9	3,779,817.00	1,811,160.00
Remuneration of directors	10	109,000.00	205,000.00
Repairs and maintenance	11	259,600.00	42,720.00
Accrued expenses reconciliation		647,057.00	1,629,446.00
<b>Total Payments</b>		<b>12,179,243.00</b>	<b>7,219,661.00</b>
<b>Net cash flows from operating activities</b>		<b>1,204,674.00</b>	<b>138,209.65</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Increase in deposits		81,000.00	116,400.00
<b>Net cash flows used in financing activities</b>		<b>81,000.00</b>	<b>116,400.00</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,285,674.00</b>	<b>254,610.00</b>
Cash and cash equivalents at 1 JULY 2020		286,111.00	31,501.42
<b>Cash and cash equivalents at 30 JUNE 2021</b>		<b>1,571,785.00</b>	<b>286,111.07</b>

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XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>Revenue</b>						
Transfers from other Govt entities	1,500,000.00	-	1,500,000.00	1,500,000.00	-	0%
Rendering of services- Fees from students	12,840,456.00	-	12,840,456.00	11,624,867.00	1,215,589.00	9%
<b>Total income</b>	<b>14,340,456.00</b>	<b>-</b>	<b>14,340,456.00</b>	<b>13,383,917.00</b>	<b>956,539.00</b>	<b>7%</b>
<b>Expenses</b>						
Compensation of employees	2,806,400.00	-	2,806,400.00	3,779,817.00	(973,417.00)	35%
Remuneration of directors	400,000.00		400,000.00	109,000.00	291,000.00	73%
General expenses	11,134,056.00		11,134,056.00	7,995,100.00	1,638,956.00	15%
<b>Total expenditure</b>	<b>14,340,456.00</b>		<b>14,340,456.00</b>	<b>11,883,917.00</b>	<b>956,539.00</b>	<b>7%</b>
<b>Surplus for the period</b>	<b>-</b>		<b>-</b>	<b>1,571,785.00</b>	<b>-</b>	

NOTES

There was introduction of new courses which required additional trainers hence taking employee cost up.

There were few board meetings than budgeted hence leading to under utilization

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**XVIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Masinga Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provided technical education.

**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, and 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 judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Masinga Technical and Vocational College.

The financial statements have been prepared in accordance with the PFM Act 2012, the TVET Act 2013 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**

**i. Early adoption of standards**

The entity did not apply early – adopt any new or amended standards in year 2021.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

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**ii) Revenue from exchange transactions**

**Rendering of services**

The Masinga Technical and Vocational College recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Budget information**

The original budget for FY 2020/2021 was approved by the Board on **01/08/2020**. *No* subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

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

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Property, plant and equipment**

All properties of Masinga Technical and Vocational College, 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

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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.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Intangible assets**

Intangible assets of Masinga Technical and Vocational College 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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

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

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Inventories (Continued)**

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.

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Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**i) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Changes in accounting policies and estimates**

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

**l) Cash and cash equivalents**

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

**m) Comparative figures**

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

**n) 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, 2021.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants	1,500,000.00	2,000,000.00
<b>Total government grants and subsidies</b>	<b>1,500,000.00</b>	<b>2,000,000.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. RENDERING OF SERVICES**

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	6,204,755.00	1,260,315.00
Activity fees	2,931,057.00	1,471,735.00
Examination fees	173,755.00	757,610.00
Library fees	140,000.00	96,000.00
Facilities and materials	1,929,700.00	1,637,210.00
Registration fees	504,650.00	135,000.00
<b>Total revenue from the rendering of services</b>	<b>11,883,917.00</b>	<b>5,357,870.00</b>

**7. HIRE OF FACILITIES AND EQUIPMENT**

Description	2020-2021	2019-2020
	KShs	KShs
Hire of facilities (rooms)	259,050.00	-
<b>Total</b>	<b>259,050.00</b>	<b>-</b>

**8. USE OF GOODS AND SERVICES**

Description	2020-2021	2019-2020
	KShs	KShs
Teaching and learning materials	27,500.00	-
Industrial attachment costs	101,500.00	-
Electricity	135,000.00	120,000.00
Water	11,900.00	-
Bank charges	10,580.00	-
L.T &T	17,365.00	-

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Subscriptions	176,000.00	-
Advertising	97,950.00	94,500.00
Examination fees	921,500.00	593,190.00
Meals and entertainment	50,335.00	-
COVID 19 Preparation expenses	37,950.00	-
Travelling and accommodation	714,565.00	
KNEC Exam expenses	42,000.00	-
Overtime allowances	9,500.00	-
Meeting Allowances	7,000.00	-
Postage	15,450.00	-
Printing and stationery	83,480.00	554,430.00
Per diem	697,200.00	-
Telephone expenses	18,380.00	25,200.00
Training expenses	788,517.00	209,500.00
Re-imbursements	1,009,062.00	-
Hire charges	-	13,600.00
Consumables	-	258,350.00
Other expenses	2,405,785.00	1,624,010.00
<b>Total good and services</b>	<b>7,378,519.00</b>	<b>3,492,780.00</b>

**9. EMPLOYEE COSTS**

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	3,408,257.00	1,811,160.00
Social contributions	371,560.00	-
<b>Employee costs</b>	<b>3,779,817.00</b>	<b>1,811,160.00</b>

**10. REMUNERATION OF DIRECTORS**

Description	2020-2021	2019-2020
	KShs	KShs
Directors' emoluments	109,000.00	205,000.00
<b>Total director emoluments</b>	<b>109,000.00</b>	<b>205,000.00</b>

**11. REPAIRS AND MAINTENANCE**

Description	2020-2021	2019-2020
	KShs	KShs
Furniture and fittings	158,500.00	-
Computers and accessories	101,100.00	-
Property	-	42,720.00
<b>Total repairs and maintenance</b>	<b>259,600.00</b>	<b>42,720.00</b>

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12. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	1,571,785.00	286,111.00
<b>Total cash and cash equivalents</b>	<b>1,571,785.00</b>	<b>286,111.00</b>

12 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) Current account			
Kenya Commercial bank	1223175537	-	5,000.00
Equity Bank,	0390275609102	1,571,785.00	281,111.00
<b>Sub- total</b>		<b>1,571,785.00</b>	<b>286,111.00</b>
<b>Grand total</b>		<b>1,571,785.00</b>	<b>286,111.00</b>

13. RECEIVABLES FROM EXCHANGE TRANSACTIONS

13(a) Current Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Student debtors	5,149,259.00	6,766,710.00
<b>Total current receivables</b>	<b>5,149,259.00</b>	<b>6,766,710.00</b>

14. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Other debtors (non-exchange transactions)	259,050.00	-
<b>Total current receivables</b>	<b>259,050.00</b>	<b>-</b>

15. INVENTORIES

Description	2020-2021	2019-2020
	KShs	KShs
Consumable stores	230,000.00	249,368.00
Electrical stores	1,000,000.00	1,037,929.00
Catering stores	1,702,025.00	144,140.00
<b>Total inventories at the lower of cost and net realizable value</b>	<b>2,932,025.00</b>	<b>1,431,437.00</b>

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16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	1,370,843.00	1,880,963.00
<b>Total trade and other payables</b>	<b>1,370,843.00</b>	<b>1,880,963.00</b>

17. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Caution money	197,400.00	116,400.00
<b>Total deposits</b>	<b>197,400.00</b>	<b>116,400.00</b>

18. EVENTS AFTER THE REPORTING PERIOD

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

19. ULTIMATE AND HOLDING ENTITY

The entity is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

20. CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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)
		All audit issues from the previous financial year are yet to be resolved but the board intend to act upon them in the financial year 2021/2022		

Accounting Officer

Name

Principal

Signature

Date.



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APPENDIX II: INTER-ENTITY TRANSFERS

ENTITY NAME:				
<b>Break down of Transfers from the State Department of -Technical Education</b>				
<b>FY 2020/2021</b>				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		09/11/2020	500,000.00	F/Y 2019-2020
		22/02/2021	500,000.00	F/Y 2020-2021
		30/03/2021	500,000.00	
		<b>Total</b>	<b>1,500,000.00</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Capitation	09/07/2020	945,000.00	F/Y 2019-2020
	Capitation	22/02/2021	502,500.00	F/Y 2020-2021
	Capitation	30/06/2021	1,320,000.00	F/Y 2020-2021
		<b>Total</b>	<b>2,767,500.00</b>	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager  
Masinga TVC entity

Sign



Head of Accounting Unit  
Ministry

Sign-----

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APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MD/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Develop- ment/Others	Total Amount = KES	Statement of Financial Performance	Where Recorded/recognized			Others - must be specifi- c	Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables		
Ministry of Education	09/11/2020	Recurrent	500,000.00	500,000.00	-	-	-	500,000.00	
Ministry of Education	22/02/2021	Recurrent	500,000.00	500,000.00	-	-	-	500,000.00	
Ministry of Education	30/03/2021	Recurrent	500,000.00	500,000.00	-	-	-	500,000.00	
Ministry of Education	09/07/2020	Direct Payment	945,000.00	945,000.00	-	-	-	945,000.00	
Ministry of Education	22/02/2021	Direct Payment	502,500.00	502,500.00	-	-	-	502,500.00	
Ministry of Education	30/06/2021	Direct Payment	1,320,000.00	1,320,000.00	-	-	-	1,320,000.00	
<b>Total</b>			<b>4,267,500.00</b>	<b>4,267,500.00</b>	-	-	-	<b>4,267,500.00</b>	