

## THE MAKANDA FOUNDATION

### Programs & Annual Financial Report

*Reporting Period: 30th November 2024 - 1st December 2025*

The Makanda Foundation is committed to transforming lives through education, empowerment, and community development. This report provides a detailed account of our financial activities, including funds received, their sources, allocation across programs and operations, program impact, and challenges faced during the reporting period.

Our mission is underpinned by transparency, accountability, and responsible stewardship. Every contribution is applied to maximize impact for our beneficiaries, ensuring that donors and partners have full confidence in our work.

#### TOTAL FUNDS RECEIVED

During the reporting period, the Foundation received a total of Ksh. 1,403,805. These funds were sourced through multiple channels to ensure accessibility for both local and international supporters.

#### SOURCES OF FUNDS

Source	Details	Amount (Ksh.)	Notes
Co-operative Bank of Kenya (Makanda Foundation Account)	A/C: 01100719532001	124,808	Bank deposits from individuals and corporates
Foundation Paybill	Paybill: 400 200, A/C: 661 096	93,202	Mobile banking contributions
M-Pesa	Phelix Joel. 07 13 48 14 36	723,288	Largest contributor channel
PayPal	<a href="mailto:makandafoundation1@gmail.com">makandafoundation1@gmail.com</a>	302,207	Cross-border support
Cash/Cheque	-	160,300	-
<b>TOTAL FUNDS RECEIVED</b>		<b>1,403,805</b>	

## UTILIZATION OF FUNDS

### 1 Total Funds Utilized and Remaining Balance

Total Funds Utilized: 1,381,704 Ksh

Remaining / Unspent Balance: 22,101 Ksh

The remaining funds have been reserved to ensure continuity of programs into the next reporting period and to meet unforeseen operational needs.

### 2 Allocation by Category

Category	% of Utilized Funds	Amount (Ksh)	Notes
Programs	85%	1,174,448	Direct support to programmatic activities impacting communities
Operations	15%	207,256	Administration, coordination, communication, and logistics
Total Utilized	100%	1,381,704	Programs + Operations
Remaining / Unspent Balance	-	22,101	Carried forward

### 3 Program Expenditure Breakdown

Program	% of Program Funds	Amount (Ksh)	Beneficiaries / Impact	Notes
Masomo Kwanza (Education Support)	45%	528,502	38 students (13 fully, 25 partially supported)	Funds covered tuition, learning materials, school fees, and partial accommodation
Hunger Relief	15%	176,167	230 individuals / 27 families	Food packages, emergency relief interventions, and community feeding programs
Job Creation & Empowerment	9%	105,700	65 individuals / 13 jobs	Skills training, small grants for micro-business, and mentorship programs

PWD Support	6%	70,467	9 individuals	Provision of mobility aids, adaptive tools, and skill development support
Environmental Sustainability	12%	140,934	11 community projects	Tree planting, waste management, and environmental awareness campaigns
Social Support & Justice	10%	117,445	78 individuals / 5 families	Legal aid, counseling, and social welfare interventions
Other Community Support	3%	35,233	9 individuals/ families	Emergency interventions and targeted support for vulnerable groups
<b>Total Programs</b>	<b>100%</b>	<b>1,174,448</b>		

#### 4 Operations

Total Operations Funds: 207,256 Ksh

- Administration: 65% – Office operations, staff, and utilities
- Communication: 10% – Public awareness, reporting, and stakeholder updates
- Transport: 8% – Field visits, program delivery, and logistics
- Program Coordination: 6% – Monitoring, evaluation, and planning
- Contingencies & Miscellaneous: 11% – Minor operational adjustments

#### PROGRAM IMPACT SUMMARY

##### 1. Masomo Kwanza – Education Support Program

38 students supported (13 fully, 25 partially)

##### Graduation Achievements:

- ✓ Duncan – Lukenya University on 10<sup>th</sup> November 2025
- ✓ Derrick – Maseno University on 14<sup>th</sup> November 2025
- ✓ Diana – Maseno University on 14<sup>th</sup> November 2025
- ✓ Vishel – Rongo University on 27<sup>th</sup> November 2025
- ✓ Pending Graduation: Morgan – expected 19th December 2025

##### 2. Hunger Relief

230 individuals across 27 families/households benefited from food and emergency support

##### 3. Job Creation & Empowerment

65 individuals empowered, with 13 new sustainable jobs created through micro-enterprises



#### 4. PWD Support

9 persons living with disabilities assisted with resources, training, and inclusion programs

#### 5. Environmental Sustainability

11 projects implemented in local communities, including tree planting, waste management, and public awareness campaigns

#### 6. Social Support & Justice

78 individuals and 5 families provided with counseling, legal aid, and social welfare support

#### 7. Other Community Support

9 individuals/families supported through emergencies or targeted interventions

### CHALLENGES AND MITIGATION MEASURES

Challenge	Impact	Mitigation Measures
Insufficient funding	Limits scope of programs	Strategic donor engagement, fundraising campaigns, and partnerships
High transport costs	Affects program delivery	Optimized route planning, pooled transport resources
Lack of residential facility	Hinders support for vulnerable students	Exploring partnerships with local well-wishers and rental accommodations temporarily as we plan to get land for permanent residence
Long distances between beneficiaries	Increases operational costs	Clustered program delivery and local coordinators
Unplanned emergencies	Requires immediate allocation of funds	Maintaining contingency funds and rapid response protocols

### ACCOUNTABILITY & TRANSPARENCY MEASURES

The Makanda Foundation ensures the highest standards of transparency and accountability:

#### 1. Full record keeping:

Every contribution and expenditure is logged and traceable

#### 2. Linking funds to impact:

Each expenditure is directly linked to program or operational outcomes

#### 3. Audit readiness:

Financial statements are available for external audits and internal reviews

#### 4. Ethical practices:

Compliance with legal, ethical, and nonprofit financial standards

The Makanda Foundation expresses sincere gratitude to all donors, partners, supporters, and well-wishers.

Key achievements enabled by your support include:

- Empowering 38 students through education
- Supporting over 230 vulnerable individuals via hunger relief
- Creating 13 sustainable jobs and empowering 65 individuals
- Reaching 9 persons with disabilities, families, and communities through targeted programs
- 78 individuals & families provided with counseling, social welfare support and 5 legal aid
- Implementing 11 environmental sustainability projects

The Foundation remains committed to scaling impact, strengthening programs, and maintaining full transparency.

Remaining funds of Ksh 22,101 will be carried forward to ensure continuity of programs and immediate response to any unforeseen needs in the next period.

Your continued support transforms lives. Together, we build a better future.

#### CERTIFICATION AND APPROVAL

I hereby certify that the information contained in this report is accurate, complete, and reflects the financial position and activities of The Makanda Foundation for the period 30th November 2024 – 1st December 2025.

Name	Position	Signature	Date
WINNIE ANZEMO	Finance Director		28/11/2025
ELVIS OCHIENG	Board Chairperson		28/11/2025
Phelex Joel	Executive Director		28/11/25

**The Makanda Foundation**  
A community of hope and prosperity  
2025





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@mshf

**ILHAJI & ASSOCIATES**

Certified Public Accountants (CPA-K)

Audit • Assurance • Financial Compliance

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**INDEPENDENT AUDITOR'S REPORT**

TO THE BOARD OF TRUSTEES

THE MAKANDA FOUNDATION

FOR THE PERIOD ENDED 1ST DECEMBER 2025

**Opinion**

We have audited the accompanying financial statements of The Makanda Foundation, which comprise the Statement of Receipts and Payments, Statement of Financial Position, Notes to the Financial Statements, and the Supplementary Program Expenditure Schedules for the financial period 30th November 2024 to 1st December 2025.

In our opinion, the financial statements present a true and fair view of the financial results and the financial position of The Makanda Foundation as at 1st December 2025, in accordance with the applicable financial reporting framework for nonprofit entities, and are compliant with International Public Sector Accounting Standards (IPSAS Cash Basis) and International Financial Reporting Standards for Nonprofit Organizations (IFR4NPO) disclosure principles.

### **Basis for Opinion**

Our audit was conducted in accordance with International Standards on Auditing (ISAs).

These standards require that we:

- I. Plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.
- II. Evaluate internal control systems relevant to the preparation of financial statements.
- III. Assess the appropriateness of accounting policies, classification of expenditures, and fund utilization in line with donor restrictions.
- IV. Perform substantive analytical procedures, compliance testing, and transaction-level verification.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for:

- i. The preparation and fair presentation of the financial statements.
- ii. Maintaining adequate accounting records.
- iii. Establishing and maintaining effective internal control systems.
- iv. Ensuring funds are utilized in conformity with approved program budgets, donor stipulations, and the Foundation's financial policies.
- v. Safeguarding the Foundation's assets.

### **Auditor's Responsibility**

Our responsibility is to express an independent audit opinion on these financial statements.

We performed the audit using:

- i. Risk-based audit methodologies
- ii. Tests of control
- iii. Substantive procedures
- iv. Funds tracing and reconciliation techniques
- v. Cut-off tests
- vi. programmed output verification



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We assessed whether expenditures were allowable, allocable, reasonable, and adequately supported, and whether the accounting records reflect accurate classification, valuation, and disclosure.

## AUDIT FINDINGS

### 1. Total Revenue / Funds Inflows

The Foundation recorded aggregate inflows of Ksh. 1,403,805.

Funding Source	Amount (Ksh.)	Audit Verification
Co-operative Bank Deposits	124,808	Bank confirmation & statement reconciliation
Paybill 400200	93,202	Mpesa Paybill audit trail verified
M-Pesa Contributions	723,288	Mobile money logs matched to general ledger
PayPal Contributions	302,207	PayPal statements reconciled, FX differences negligible
Cash/Cheque	0	No variances

No anomalies, omissions, or unrecorded inflows were detected.

### 2. Total Expenditure / Funds Application

Total audited expenditure amounted to Ksh. 1,381,704.

Expenditure Category	Amount (Ksh.)	% of Total	Audit Conclusion
Program Expenditure	1,174,448	85%	Properly allocated & supported
Operating Expenditure	207,256	15%	Reasonable, allowable, and authorized

The unutilized fund balance of Ksh. 22,101 was verified as cash forward for subsequent period obligations.



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### 3. Program Expenditure Verification

Program expenditures were subjected to substantive testing, including:

- i. Inspection of payment vouchers
- ii. Beneficiary confirmation
- iii. Reconciliation of activity reports
- iv. Verification of program outputs

#### a. Education Program – Masomo Kwanza

Expenditure: Ksh. 528,502

Beneficiaries: 38 students

Verified through fee invoices, receipts, and academic confirmations

***Compliant***

#### b. Hunger Relief

Expenditure: Ksh. 176,167

Beneficiaries: 230 individuals

***Inventory movement and distribution logs validated***

#### c. Job Creation & Empowerment

Expenditure: Ksh. 105,700

***Expenditure classified correctly as direct program support***

#### d. PWD Support

Expenditure: Ksh. 70,467

***Assistive devices and training sessions verified***

#### e. Environmental Sustainability

Expenditure: Ksh. 140,934

***Tree planting & environmental project documentation verified***

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f. Social Support & Justice

Expenditure: Ksh. 117,445

***Counselling, social welfare, and legal aid expenditures verified***

g. Other Community Support

Expenditure: Ksh. 35,233

***Emergency assistance validated***

**4. Operating Expenditure Review**

- Operating expenses of Ksh. 207,256 were tested for:
- accuracy
- authorization
- classification
- compliance with procurement procedures

**Breakdown:**

- Administration – 65%
- Communication – 10%
- Transport – 8%
- Program Coordination – 6%
- Contingencies – 11%

***All transactions were supported by adequate documentation***

***No ineligible expenditures were identified***

**INTERNAL CONTROL EVALUATION**

**Strengths**

- Strong documentation and accountability framework
- Effective segregation between program and operational expenditure
- Consistent reconciliation of bank, Mpesa, and PayPal accounts
- Satisfactory audit trail for all major transactions



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#### Control Weaknesses

- Elevated dependency on mobile money increases vulnerability to transactional errors
- Geographical spread of beneficiaries increases logistical costs
- Absence of a centralized student residence results in fragmented monitoring

#### Recommendations

- Implement an integrated accounting information system (AIS)
- Establish a restricted reserve fund for contingencies
- Adopt fleet/logistics consolidation to reduce transport overheads
- Initiate plans for acquisition/leasing of a centralized residential facility
- Strengthen periodic internal audits and compliance checks

#### OVERALL AUDIT CONCLUSION

Based on the audit procedures performed:

- The financial statements are free from material misstatements
- Fund utilization is consistent with donor restrictions and program mandates
- The Foundation demonstrates high levels of financial integrity and transparency
- No evidence of fraud, misappropriation, or noncompliance was identified
- Program outputs and beneficiary figures are accurate and verifiable

#### AUDITOR'S CERTIFICATION

We hereby certify that the audit was conducted independently and in accordance with applicable international auditing and nonprofit accounting standards.

ILHAJI & ASSOCIATES

Certified Public Accountants (CPA-K)

Audit & Assurance Division

Signature: [Signature]

Date: 01 DECEMBER 2025

