

OGRA FOUNDATION
P.O.BOX 3050-40100
KISUMU- KENYA.

AUDITORS REPORT YEAR 2008 /2009.

YEAR ENDED 28TH FEBRUARY, 2009

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OGRA FOUNDATION
FINANCIAL STATEMENT FOR THE YEAR ENDED 28TH FEBRUARY 2009
ADMINISTRATIVE DETAILS

Principle Address

The OGRA Foundation
P.O.BOX 3050-40100
KISUMU
KENYA.

Board of Trustees

Dr. Hezron Mc'Obewa (Honorary Patron and Sec to Board)
Mr. Tobias Odhiambo Oyare Chair
Mr. Charles Odida Awuor Hon Treasurer
Senior Chief Odhiambo Atudo
Bishop George Ong'any

Registration number:OP.218/051/2004/0389/3411

Bankers

Pel Forex Bureau
Ecobank Kisumu
ABC Bank Kisumu
I&M Bank Kisumu

Auditors

OTIENO & ASSOCIATES
CERTIFIED ACCOUNTANTS
P.O.BOX 4140- KISUMU

OGRA FOUNDATION
STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of the financial statement which give a true and a fair view of the foundation.

In preparing them, the trustees are required to select suitable accounting policies and apply them consistently, make judgments and estimates that are reasonable and prudent and to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the foundation will continue.

The trustees are also responsible for safe guarding the assets of the foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed:

Chairman: ___T Oyare_____

Date: _06_//_03_//_2009_

Secretary: ___Dr. H O Mc'Obewa_____

Date: _06_//_03_//_2009_

Treasurer: ___C .Odida_____

Date: _06_//_03_//_2009_

OGRA FOUNDATION

AUDITORS REPORT TO THE TRUSTEES OF OGRA FOUNDATION FOR THE YEAR ENDED 28TH FEBRUARY 2009.

We have audited the financial statements of OGRA Foundation for the year ended 28th February 2009 set out in pages 6 to 7. The financial statement has been prepared under the historical cost convention and the accounting policies set there in.

Respective responsibilities of the trustees and the auditors.

The trustees are responsible for the preparation of the financial statement. It is the auditor's responsibility to form an independent opinion based on the audit carried out by the auditors on the financial statements and report their opinion to the trustees.

Basis of opinion.

We conducted our audit in accordance with the Kenya Standards of Auditing, except that the scope of our audit was limited as explained below. An audit includes examination on a test basis of evidence relevant to the amounts and disclosure in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statement and of whether the accounting policies are appropriate to the foundation circumstances, consistently applied and adequately disclosed. We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statement are free from material mis-statement, whether caused by fraud or any other irregularity or error. However, some of the evidence was limited because, similar to other Non-governmental organizations, the Foundation derives most of its income from donations and grants. Similarly, the Foundations cash inflows consist mainly in philanthropic donations. We also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

Except for any adjustments that may have been found necessary, in our opinion the financial statements give a true and fair view of the foundation state of affairs as at 28th February 2009.

OTIENO & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P.O.BOX 4140- KISUMU

OGRA FOUNDATION BALANCE SHEET AS AT 28TH FEBRUARY 2009

	Notes	AT 28.02.09	AT 28.02.09	AT 28.02.08	AT 28.02.08
Fixed asset					
Land and building	4.00	38,544,833.14		26,331,796.00	
Plant and machinery	4.00	9,622,297.75		4,744,376.44	
Tools and equipment	4.00	3,103,486.25		1,815,270.00	
Furniture and fittings	4.00	3,839,916.10	55,110,533.24	47,250.00	32,938,692.44
Current assts					
Cash at hand		292,608.63			
Cash at bank		1,796,138.58	2,088,747.21		664,201.50
CURRENT LIABILITIES					
Herley chemist		584,267.00			
Faram limited		200,000.00			
Catch security		17,000.00			
UAP insurance		39,000.00			
Fedex		7,000.00			
Frodak		700.00	847,967.00		150,000.00
NET ASSET			<u>56,351,313.45</u>		<u>33,452,893.94</u>
Financed by:					
Accumulated fund		33,452,893.94		12,606,957.50	
Grants/donations for purchase of assets		24,678,443.44		20,492,935.00	
Income and expenditure account		(1,780,023.93)		353,001.44	
			<u>56,351,313.45</u>		<u>33,452,893.94</u>

These financial statements were approved by the trustees on 2008 and signed on their behalf by:

Chairman : T Oyare

Secretary : Dr. H O Mc'Obewa

Treasurer: C .Odida

OGRA FOUNDATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28TH FEBRUARY, 2009

INCOME	NOTE S	28 TH FEB. 2009	28 TH FEB. 2009	28 TH FEB. 2008	28 TH FEB. 2008
GRANTS AND DONATIONS	2.1		45,386,313.49		8,701,690.00
INCOME GENERATING	2.2		3,568,900.00		642,000.00
INCOME FROM CLINIC	2.3		342,393.00		178,500.00
LOCAL FUNDRAISING	2.2				
			<u>639,400.00</u>		<u>4,331,00.00</u>
			<u>49,935,006.49</u>		<u>13,853,190.00</u>
LESS EXPENSES					
TRANS,ACC AND ENT.	2.5a	676,143.66		709,659.00	
REPAIR AND MAINTAINANCE	2.5b	926,817.71		63,955.00	
SECURITY SERVICES	2.5c	839,448.21		-	
WATER AND ELECTRICITY	2.5d	429,961.36		50,400.00	
COMMUNICATION	2.5e	925,050.70		-	
STAFF EXPENSES	2.5f	11,510,444.50		1,680,178.00	
PRINT AND STATIONERY	2.5g	670,498.24		87,719.50	
MEDICAL EXPENSES	2.5h	6,172,488.64		1,340,070.00	
EDUCATION	2.5i	6,012,280.21		482,950.00	
SHIPMENT	2.5j	1,942,374.00		402,500.00	
MOTOR VEHICLE EXPENSES	2.5h	844,334.69		463,200.00	
BANK CHARGES		84,494.87		87,650.00	
FEEDING CENTRE	2.5l	423,699.10		-	
INSURANCE	2.5m	163,970.29		-	
CLEANING	2.5n	71,636.67		126,450.00	
CONSULTANCIES	2.5o	512,868.37		367,750.00	
PHILANTHROPIC GRANTS	2.5p	647,500.00		120,750.00	
INCOME GENERATING ACTIVITIES	2.5q	2,435,300.00		468,500.00	
DEPRECIATION	4.0	2,506,602.20		1,446,335.06	
RENT	2.5r	65,000.00		75,700.00	
IDP AND EMERGENCY RESPONSE	2.5s	1,009,800.00		3,105,000.00	
TRAININGS & FIELD ACTIVITIES	2.5t	12,844,317.00		2,421,422.00	
TOTAL CASH OUTFLOW			<u>51,715,030.42</u>		<u>13,500,188.56</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 2008.

1. Accounting Policies

1.1 Basis of preparation

The accompanying Financial Statements have been prepared in accordance with the applicable accounting principles and under the Historical cost basis of accounting.

1.2 Incoming Resources

Grants and donations income is recognized on the date when they are received. The income is then divided into capital and recurrent. Only income received for recurrent purposes is treated to the income and expenditure account.

1.3 Foreign Currency

All Transactions in Currencies other than the Kenya Shillings are translated to the measurement currency at the exchange rate at the date of the transaction. All the Foundations assets are held in the measurement currency.

1.4 Fixed Assets

Assets donated to the Foundation are included in the accounts at valuation, which is an estimation of their cost

by management or the respective insurers where necessary.

The assets are depreciated on reducing balance. The following annual rates were used:

Buildings	3.0%
Plant & Machinery	12.5%
Motor Vehicle	25.0%
Equipment	12.5%
Fixture & Fittings	12.5%

2.0 Income & Expenditure

The income and expenditure account reflects a deficit because a high amount of depreciation has been factored.

This amount reduces the surplus but does not have any effect in the cash flow.

2.1 Grants

The main sources of income for the foundation during the year were grants from WASOT-UK, Direct Relief International (DRI), Kenya Orphan Project (KOP), OSANI UK, and APHIA II (USAID).

2.2 Local Fund-raising & Individual Contribution

This includes contributions from Dr. Hezron and other donations from partners and supporters of the foundation locally. The Foundation also received Funds from AMREF (MAANISHA) AND NATIONAL AIDS CONTROL COUNCIL (NACC TOWA PROJECT).

2.3 Income Generating Activities

During the year the Foundation participated in various income generating activities which included:

- Printing and photocopy services
- Agriculture i.e Sugarcane and Maize plantation

Through these activities the Foundation was able to raise substantial amount of cash for its projects.

2.4 Income from the Clinic

Income from the clinic has been received from cost sharing where the patient contributes kshs. 50 per visit.

This is a small amount and the rest is off set by the Foundation as part of the foundation encouraging community participation in its project.

2.5 Recurrent Expenses

Expenses charged to the income expenditure account included:

Transport, accommodation and entertainment include expenses for staff transport within the town and amount for transport, up-keep and accommodation for UK guests and other partners and supporters of Ogra foundation.

Repairs and maintenance expenses include expenses for maintenance of the buildings, fittings, furniture, computers and all assets owned by the organization.

Security services expense represents expenses that are paid to the security guards who provide security for Ogra offices, the clinics and all other ogra properties. The amount is high since security was beefed up after the post election violence till the country regained relative peace.

Water and electricity expense represents the normal; monthly utility expense for the same.

Communication expense represents expenses for communication through fedex , DHL and other postage charges, The amount also includes amounts for telephone and internet expenses. Alot is spent on telephone since the organization covers the entire province and constant communication with field staff and volunteers is necessary for better efficient implementation of its objectives..

Staff and trustee expenses include all expenses for Ogra trustees and staff in attending meetings, representing Ogra Foundation at various stake holder meetings and workshops etc. This encompasses head quarters, Osani clinic ,Le Quesne clinic and APHIA II staffs. APHIA II staff work in the USAID sponsored Peer Education programme which is hosted by Ogra Foundation

Printing and stationery expense is part of the normal running cost for Ogra head quarters and all its clinics and departments.

Medical expenses include all expenses incurred for drugs and lab equipments at Le Quesne and Osani health centres . It also includes drugs and medical care for some of the victims of post election violence and medical camps costs.

Education expense includes all the amounts paid by the organization for support of students in various schools, it also includes infrastructure support in the schools supported by Ogra and support for ISMAT college which is one of Ogra Foundation's new projects.

Shipment expenses include costs incurred when clearing shipping costs from overseas to Ogra Foundation. The costs include overland transportation of containers and transportation to the organizations warehouse, port charges and IDF.

Motor Vehicle expenses include amounts for fuel, repairs, parking fees, car wash and service.

Feeding centre expense is in respect of amounts spent for feeding of orphans at the organization feeding centre at Omen feeding Centre.

Insurance charges represent charges for insurance cover for the motor vehicles, Ogra Foundation buildings and installations.

Cleaning expenses represents expenses for purchase of detergents and other cleaning equipments.

Consultancies include amounts for legal expenses, auditing, Monitoring and Evaluation and Rapid assessment reports carried out by Ogra Foundation in this last fiscal year.

Philanthropic grants include targeted donation to CBOS, FBOS, Schools e.t.c which under take programs with similar objectives as Ogra Foundation.

Expenses incurred for income generating activities include repairs and maintenance of Computers and photocopiers, maize plantation, sugarcane plantation poultry farming. This amount also includes amounts incurred for purchase of tools and equipments particularly purchased for supporting income and generating activities for various groups that we work with.

Rent expense is for payment of rent for clinical Ogra staff accommodation at Ombeyi Ramula.

IDP and emergency response is expense in respect of IDP expenses as the country continued to seek peace and response to the community during the cholera outbreak.

Field and training expense include all expenses for field mobilization and outreaches which mostly include magnet theatre behavior change programmes sponsored by USAID and all trainings and workshops. This also includes amounts for mobile outreach clinics and twilight VCT runs.

3. Capital Expenses and Investments

In the year the Foundation has engaged in various capital investment aimed at enhancing service delivery

and making the Foundation Financially sustainable. The areas of investment included:

Construction of Le Savanna Country Lodge hotel which is a major income generating project for Ogra foundation. The hotel has been completed and is now operational. The expenses for construction of the hotel include the buildings, fittings, purchase of furniture and other various equipments for the hotel

Purchase of a Land Cruiser Toyota 4x4 for the DRI sponsored ARV project.

Computerization of all Ogra activities through purchase of modern computers and fitting of the internet services both at HQ and ISMAT and its satellite facilities.

NOTE NO 4 FIXED ASSETS

	LAND AND BUILDING	PLANT AND MACHINERY	TOOLS AND EQUIPMENT	FURNITURE AND FITTINGS	TOTALS
VALUE AS AT 1 ST MARCH 2008	26,331,796.00	4,744,376.00	1,815,270.00	47,250.00	32,938,692.00
ADDITIONS	13,101,250.40	6,133,800.00	1,564,000.00	3,879,393.04	24,678,443.44
CHARGE FOR THE YEAR	789,953.88	593,047.00	226,908.75	5,906.25	1,615,815.88
CHARGE FOR THE YEAR ON ADDITION	98,259.38	662,831.25	48,875.00	80,820.69	890,786.32
TOTAL DEPRECIATION	<u>888,213.26</u>	<u>1,255,878.25</u>	<u>275,783.75</u>	<u>86,726.94</u>	<u>2,506,602.20</u>
NET BOOK VALUE	<u>38,544,833.14</u>	<u>9,622,297.75</u>	<u>3,130,486.25</u>	<u>3,839,916.10</u>	<u>55,110,533.24</u>
DEPRECIATION % MOTOR VEHICLE	3.00%	0.13 0.25	12.50%	12.50%	

ASSETS PURCHASED IN THE FINANCIAL YEAR (ADDITIONAL ASSETS)

Hotel building	13,101,250.40
Hotel tools and equipment	1,564,000.00
Hotel furniture fittings	3,879,393.04
Motor vehicle	4,484,000.00
Computers	1,594,600.00
Fridges	30,200.00
Mobile phones	25,000.00
TOTALS	<u>24,678,443.44</u>