



NDOTO: FOR AFRICA'S FUTURE

Financial Statements
With Independent Accountants' Compilation
Report

December 31, 2017

NDOTO: FOR AFRICA'S FUTURE

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Ndoto: For Africa's Future
Carrollton, Texas

Management is responsible for the accompanying financial statements of Ndoto: For Africa's Future, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Capin Crouse LLP

Grapevine, Texas
June 22, 2018

NDOTO: FOR AFRICA'S FUTURE

Statement of Financial Position

December 31, 2017

ASSETS:

Cash and cash equivalents	\$ 254,569
Prepays and other assets	<u>52,672</u>

Total Assets	<u>\$ 307,241</u>
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LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable	<u>\$ 6,788</u>
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Net assets:

Unrestricted—operating	133,284
Temporarily restricted	<u>167,169</u>
	<u>300,453</u>

Total Liabilities and Net Assets	<u>\$ 307,241</u>
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See accompanying notes and independent accountants' compilation report

NDOTO: FOR AFRICA'S FUTURE

Statement of Activities

Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contributions	\$ 161,061	\$ 243,080	\$ 404,141
Other income	484	-	484
Total Support and Revenue	<u>161,545</u>	<u>243,080</u>	<u>404,625</u>
NET ASSETS RELEASED:			
Purpose restrictions	<u>184,622</u>	<u>(184,622)</u>	<u>-</u>
EXPENSES:			
Program activities:			
Sponsorships	223,080	-	223,080
Development	9,168	-	9,168
Student emergency	1,862	-	1,862
Visiting missionary	9,314	-	9,314
	<u>243,424</u>	<u>-</u>	<u>243,424</u>
Supporting activities:			
General and administrative	37,207	-	37,207
Fundraising	45,323	-	45,323
Total Expenses	<u>325,954</u>	<u>-</u>	<u>325,954</u>
Change in Net Assets	20,213	58,458	78,671
Net Assets, Beginning of Year	<u>113,071</u>	<u>108,711</u>	<u>221,782</u>
Net Assets, End of Year	<u>\$ 133,284</u>	<u>\$ 167,169</u>	<u>\$ 300,453</u>

See accompanying notes and independent accountants' compilation report

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Statement of Cash Flows

Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$	78,671
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization		1,152
Changes in operating assets and liabilities:		
Prepaid expenses and other assets		(51,003)
Accounts payable		3,819
Net Cash Provided by Operating Activities		<u>32,639</u>
Net Change in Cash and Cash Equivalents		32,639
Cash and Cash Equivalents, Beginning of Year		<u>221,930</u>
Cash and Cash Equivalents, End of Year	\$	<u><u>254,569</u></u>

See accompanying notes and independent accountants' compilation report

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Notes to Financial Statements

December 31, 2017

1. NATURE OF ORGANIZATION:

Ndoto: For Africa's Future (Ndoto) is a Texas nonprofit organization incorporated in September of 2009. Ndoto is a Christ centered community development organization that works in the Obunga slum in Kisumu, Kenya. Ndoto's mission is to educate, disciple, and develop at risk youth to pursue their dreams, glorify God, and transform their communities. This is accomplished through the following major program areas:

Educate: Through student sponsorship, Ndoto is able to pay for school fees, as well as address mental, emotional, and physical needs of a student while helping them to develop spiritually.

Disciple: Ndoto staff members meet with students in small groups and one on one to help grow in their knowledge of God and in their faith in Jesus Christ. This program includes group outings into the city to help them connect with other students in the program and serve the community.

Develop: Ndoto works with entrepreneurs who have promising business ideas and helps them create a solid business plan. Upon completing a thorough review and approval process, and obtaining funding, a small micro loan is provided to individuals to start their own businesses.

Ndoto receives its main support through charitable contributions.

Ndoto operates as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and is not a private foundation under Section 509(a) of the Code.

2. SUMMARY OF ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of Ndoto have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The more significant accounting policies are summarized below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking and money market accounts. These accounts, at times, may exceed federally insured limits. Ndoto has not experienced any losses on such accounts and believes they are not exposed to any significant credit risk.

At December 31, 2017, Ndoto cash balances exceed federally insured limits by \$4,520. Ndoto does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

NDOTO: FOR AFRICA'S FUTURE

Notes to Financial Statements

December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

The financial statements report amounts separately by class of net assets:

Unrestricted net assets are currently available for use at the discretion of the board.

Temporarily restricted net assets are stipulated by donors for specific operating purposes or for the specific programs of Ndot.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. Ndot reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the contributed amounts. When a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as a satisfaction of purpose restrictions.

Property and other non-cash gifts are recorded at their estimated fair market value on the date of donation, and included in contributions. Usable property, meeting valuation threshold of \$1,000, may also be capitalized at the same estimated fair market value on the date of donation.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized in the statement of activities. Accordingly, certain costs, such as salaries and benefits and depreciation, have been allocated among the program services and supporting activities benefited.

3. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets as of December 31, 2017, consist of:

Sponsorships	\$ 162,544
Special designations	<u>4,700</u>
	<u>\$ 167,244</u>

4. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 22, 2018, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.