



NDOTO: FOR AFRICA'S FUTURE

Financial Statements  
With Independent Accountants' Compilation  
Report

December 31, 2022 and 2021

# 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 (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 engagements 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*

Irving, Texas  
February 22, 2023

# NDOTO: FOR AFRICA'S FUTURE

## Statements of Financial Position

	December 31,	
	2022	2021
ASSETS:		
Cash and cash equivalents	\$ 235,091	\$ 461,543
Prepays and other assets	14,482	38,139
Certificates of deposit	301,224	50,035
Property and equipment-net	10,617	13,580
Total Assets	<u>\$ 561,414</u>	<u>\$ 563,297</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 8,070	\$ 474
Total Liabilities	<u>8,070</u>	<u>474</u>
Net Assets:		
Without donor restrictions	185,997	184,768
With donor restrictions	367,347	378,055
Total Net Assets	<u>553,344</u>	<u>562,823</u>
Total Liabilities and Net Assets	<u>\$ 561,414</u>	<u>\$ 563,297</u>

See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Statements of Activities

	Year Ended December 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 160,955	\$ 278,462	\$ 439,417	\$ 156,759	\$ 225,839	\$ 382,598
Other income	4,814	-	4,814	2,699	-	2,699
Total Support and Revenue	165,769	278,462	444,231	159,458	225,839	385,297
<b>NET ASSETS RELEASED:</b>						
Satisfaction of restrictions	289,170	(289,170)	-	224,571	(224,571)	-
<b>EXPENSES:</b>						
Program services:						
Sponsorships	262,069	-	262,069	254,733	-	254,733
Visiting missionary	40,539	-	40,539	15,672	-	15,672
Development	11,058	-	11,058	10,932	-	10,932
Student emergency	4,271	-	4,271	5,664	-	5,664
Ndoto Academy	41,310	-	41,310	-	-	-
	359,247	-	359,247	287,001	-	287,001
Supporting activities:						
General and administrative	58,324	-	58,324	56,695	-	56,695
Fund-raising	36,139	-	36,139	45,009	-	45,009
Total Expenses	453,710	-	453,710	388,705	-	388,705
Change in Net Assets	1,229	(10,708)	(9,479)	(4,676)	1,268	(3,408)
Net Assets, Beginning of Year	184,768	378,055	562,823	189,444	376,787	566,231
Net Assets, End of Year	\$ 185,997	\$ 367,347	\$ 553,344	\$ 184,768	\$ 378,055	\$ 562,823

See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services					Total Program Services	Supporting Activities		TOTAL
	Sponsorships	Visiting Missionary	Development	Student Emergency	Ndoto Academy		General and Administrative	Fund-raising	
Grants	\$ 229,990	\$ 2,826	\$ 2,009	\$ 1,342	\$ 34,562	\$ 270,729	\$ -	\$ -	\$ 270,729
Salaries and benefits	30,320	17,238	9,049	2,929	6,748	66,284	33,520	32,015	131,819
Travel and meetings	-	20,475	-	-	-	20,475	7,721	650	28,846
Office expenses	1,759	-	-	-	-	1,759	13,624	67	15,450
Other	-	-	-	-	-	-	3,459	3,407	6,866
	\$ 262,069	\$ 40,539	\$ 11,058	\$ 4,271	\$ 41,310	\$ 359,247	\$ 58,324	\$ 36,139	\$ 453,710

See independent accountants' compilation report and notes to financial statements

**NDOTO: FOR AFRICA'S FUTURE**

**Statement of Functional Expenses**

Year Ended December 31, 2021

	Program Services					Total Program Services	Supporting Activities		TOTAL
	Sponsorships	Visiting Missionary	Development	Student Emergency	Ndoto Academy		General and Administrative	Fund-raising	
Grants	\$ 214,959	\$ 855	\$ 2,572	\$ 2,821	\$ -	\$ 221,207	\$ -	\$ -	\$ 221,207
Salaries and benefits	39,281	6,145	8,360	2,843	-	56,629	35,354	36,896	128,879
Travel and meetings	-	8,672	-	-	-	8,672	5,689	3,771	18,132
Office expenses	2	-	-	-	-	2	13,162	1,350	14,514
Other	491	-	-	-	-	491	2,490	2,992	5,973
	<u>\$ 254,733</u>	<u>\$ 15,672</u>	<u>\$ 10,932</u>	<u>\$ 5,664</u>	<u>\$ -</u>	<u>\$ 287,001</u>	<u>\$ 56,695</u>	<u>\$ 45,009</u>	<u>\$ 388,705</u>

See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Statements of Cash Flows

	Year Ended December 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (9,479)	\$ (3,408)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	2,963	1,235
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	23,657	36,655
Accounts payable	7,596	377
Net Cash Provided by Operating Activities	24,737	34,859
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from maturities of certificates of deposit	100,272	125,453
Reinvested interest in certificates of deposit	(1,455)	(35)
Purchases of certificates of deposit	(350,006)	(50,000)
Net Cash Provided (Used) by Investing Activities	(251,189)	75,418
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Purchase of property and equipment	-	(14,815)
Net Cash Used by Financing Activities	-	(14,815)
Net Change in Cash	(226,452)	95,462
Cash and Cash Equivalents, Beginning of Year	461,543	366,081
Cash and Cash Equivalents, End of Year	\$ 235,091	\$ 461,543

See independent accountants' compilation report and notes to financial statements



# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2022 and 2021

### 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:

**Student Sponsorship:** Ndoto's largest program connects donors with at-risk students from Kindergarten through University for education and discipleship. Sponsored students receive basic school supplies, medical care, and school tuition. Ndoto staff care for students' spiritual, emotional, and physical needs, hosting student retreats, service days, Bible studies, and more. The Sponsorship program also supports community-wide services such as Ndoto Community Church and athletic programs.

**Ndoto Academy:** In 2022, Ndoto opened its own private Christian elementary school to provide high-quality education to students in the region. Ndoto Academy features modern resources, best practices in education, and a pastoral component to create an offering that stands apart from similar area schools.

**Visiting Missionaries:** Facilitating travel between the US and Kenya is an important ministry to both the travelers and the work in Kenya. Visitors are valuable volunteers and encourage the students and staff, but they also report being heavily affected by the experience of seeing the ministry up close. They become ambassadors for Ndoto upon returning home.

**Development:** Ndoto works to create sustained economic development in two ways: starting businesses directly, and providing training and support for existing business leaders. Ndoto-operated businesses meet community needs, create jobs, and provide revenue for further ministry.

**Student Emergency:** Ndoto is prepared to provide above-and-beyond support of any kind to sponsored students and key members of the ministry who face emergencies in their lives. In recent years, this has included major surgery, flooding relief, unexpected death, and legal support for the abused.

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. Contributions to Ndoto are deductible for income tax purposes.

# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting. The preparation of the 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 significant accounting policies followed are described below to enhance the usefulness of the statements to the reader.

#### CASH AND CASH EQUIVALENTS AND CREDIT RISK

Cash and cash equivalents consists of checking, money market, and saving accounts. Management believes it is not exposed to any significant credit risk on these accounts. As of December 31, 2022 and 2021, approximately \$26,000 and \$82,000 (including the certificates of deposit below) was in excess of federally insured limits, respectively.

#### CERTIFICATES OF DEPOSIT AND CREDIT RISK

Certificates of deposit are reported at cost, plus accrued interest. As of December 31, 2022, Ndoto had certificates of deposit with interest rates ranging from 2.2% to 4.8% and have maturity dates ranging from June 2, 2023 to March 7, 2024. As of December 31, 2021, Ndoto had one certificate of deposit with an interest rate of .65% that matured on November 23, 2022. See credit risk disclosure per cash and cash equivalents above.

#### FOREIGN OPERATIONS

Ndoto's operations are located in Kisumu, Kenya. All account balances relating to foreign operations are reflected in the financial statements in United States Dollars. As of December 31, 2022 and 2021, assets held in Kenya, consists of a certificate of deposit with a balance of \$0 and \$26,041, respectively. As of December 31, 2022 and 2021, there were no liabilities related to activities in Kisumu, Kenya.

#### PROPERTY AND EQUIPMENT, NET

Property and equipment purchased by Ndoto are recorded at cost. Ndoto capitalizes all expenditures for property and equipment over \$1,000 with a useful life in excess of one year. Depreciation is computed on the straight-line mid-month method over the estimated useful life of the asset, ranging from 3 to 5 years. For the years ended December 31, 2022 and 2021, depreciation expense was \$2,963 and \$1,235, respectively.

#### NET ASSETS

*Net assets without donor restrictions* are currently available for use at the discretion of the board.

*Net assets with donor restrictions* are those resources contributed with donor stipulations for specific operating purposes.

# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT, REVENUE, AND RECLASSIFICATIONS

Contributions are reported when made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to Ndot. Bequests are reported as support at the time Ndot has an established right to the bequest and proceeds are measurable. Revenues are reported when earned. Ndot reports conditional grants in which the restriction is met in the same fiscal year as grant revenue without donor restrictions. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as a satisfaction of purpose restrictions.

#### EXPENSES

Expenses are reported when incurred. Ndot did not incur any advertising expenses during the years ended December 31, 2022 and 2021. The costs of providing the various program services and supporting activities have been summarized in the statements of activities. Accordingly, salaries and wages have been allocated on the basis of time and effort; depreciation and facility expense have been allocated on the basis of square footage used. All other expenses were allocated based upon the functional nature of the underlying expenses. Ndot incurred no joint costs for the years ended December 31, 2022 and 2021.

### 3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects Ndot's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date as of:

	December 31,	
	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 235,091	\$ 461,543
Certificates of deposit	301,224	50,035
Financial assets, at year end	<u>536,315</u>	<u>511,578</u>
Less those unavailable for general expenditure within one year, due to:		
Donor restrictions based on purpose or time	<u>(106,811)</u>	<u>(81,113)</u>
Financial assets available to meet general obligations within one year	<u>\$ 429,504</u>	<u>\$ 430,465</u>

As part of Ndot's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations comes due. As of December 31, 2022 and 2021, respectively, Ndot has \$352,213 and \$374,823 of net assets with donor restrictions for its sponsorship program. Management expects to spend \$259,900 and \$293,710, respectively, on this program in 2023 and 2022 and are therefore considered available to meet general expenditures within one year.

# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2022 and 2021

4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2022	2021
Sponsorships	\$ 366,711	\$ 374,823
Business development projects	-	2,009
Student emergency	636	628
Special designations	-	595
	<u>\$ 367,347</u>	<u>\$ 378,055</u>

5. RELATED PARTY TRANSACTIONS:

Ndoto's U.S. executive director is the board chairman for Ndoto Kenya, a separately controlled nonprofit organization located in Kenya. Ndoto provides financial support to Ndoto Kenya each year. During the years ended December 31, 2022 and 2021, \$259,303 and \$216,336, respectively, was reported as a grant expense to Ndoto Kenya. As of December 31, 2022 and 2021, Ndoto reported a prepaid expense of \$12,784 and \$36,430, respectively, for prepaid grant funds transferred to Ndoto Kenya that will be used by Ndoto Kenya in its upcoming fiscal year.

6. CONCENTRATION OF SUPPORT RISK:

For the years ended December 31, 2022 and 2021, the top 10 givers provided approximately 23% and 17%, respectively, of the support to Ndoto.

7. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 22, 2023, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.