



NDOTO: FOR AFRICA'S FUTURE

Financial Statements  
With Independent Accountants' Compilation  
Report

December 31, 2023 and 2022

# 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, 2023 and 2022, 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  
March 1, 2024

# NDOTO: FOR AFRICA'S FUTURE

## Statements of Financial Position

	December 31,	
	<u>2023</u>	<u>2022</u>
ASSETS:		
Cash and cash equivalents	\$ 224,964	\$ 235,091
Restricted cash	46,000	-
Total cash, cash equivalents, and restricted cash	<u>270,964</u>	<u>235,091</u>
Prepays and other assets	58,706	14,482
Investments	338,375	301,224
Property and equipment-net	<u>7,654</u>	<u>10,617</u>
Total Assets	<u>\$ 675,699</u>	<u>\$ 561,414</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 4,335	\$ 8,070
Total liabilities	<u>4,335</u>	<u>8,070</u>
Net assets:		
Without donor restrictions	223,397	185,997
With donor restrictions	<u>447,967</u>	<u>367,347</u>
Total net assets	<u>671,364</u>	<u>553,344</u>
Total Liabilities and Net Assets	<u>\$ 675,699</u>	<u>\$ 561,414</u>

See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Statements of Activities

	Year Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 204,364	\$ 358,305	\$ 562,669	\$ 160,955	\$ 278,462	\$ 439,417
Interest income	19,246	-	19,246	-	-	-
Other income	478	-	478	4,814	-	4,814
Total Support and Revenue	224,088	358,305	582,393	165,769	278,462	444,231
<b>NET ASSETS RELEASED:</b>						
Satisfaction of restrictions	277,685	(277,685)	-	289,170	(289,170)	-
<b>EXPENSES:</b>						
Program services:						
Sponsorships	288,334	-	288,334	262,069	-	262,069
Visiting missionary	11,938	-	11,938	40,539	-	40,539
Development	6,742	-	6,742	11,058	-	11,058
Student emergency	3,768	-	3,768	4,271	-	4,271
Ndoto Academy	32,258	-	32,258	41,310	-	41,310
	343,040	-	343,040	359,247	-	287,001
Supporting activities:						
General and administrative	68,364	-	68,364	58,324	-	58,324
Fund-raising	52,969	-	52,969	36,139	-	36,139
Total Expenses	464,373	-	464,373	453,710	-	388,705
Change in Net Assets	37,400	80,620	118,020	1,229	(10,708)	(9,479)
Net Assets, Beginning of Year	185,997	367,347	553,344	184,768	378,055	562,823
Net Assets, End of Year	\$ 223,397	\$ 447,967	\$ 671,364	\$ 185,997	\$ 367,347	\$ 553,344

See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services					Total Program Services	Supporting Activities		TOTAL
	Sponsorships	Visiting Missionary	Development	Student Emergency	Ndoto Academy		General and Administrative	Fund-raising	
Grants	\$ 251,677	\$ -	\$ -	\$ 559	\$ 23,625	\$ 275,861	\$ -	\$ -	\$ 275,861
Salaries and benefits	34,860	4,308	6,742	3,209	8,633	57,752	42,845	44,837	145,434
Travel and meetings	123	7,630	-	-	-	7,753	9,182	2,057	18,992
Office expenses	729	-	-	-	-	729	12,660	396	13,785
Other	945	-	-	-	-	945	3,677	5,679	10,301
	\$ 288,334	\$ 11,938	\$ 6,742	\$ 3,768	\$ 32,258	\$ 343,040	\$ 68,364	\$ 52,969	\$ 464,373

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

## Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 118,020	\$ (9,479)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	2,963	2,963
Realized and unrealized gain (loss)	6,929	-
Contributions restricted for long-term investment	(46,000)	-
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(44,224)	23,657
Accounts payable	(3,735)	7,596
Net Cash Provided by Operating Activities	33,953	24,737
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	268,372	100,272
Purchases of investments	(312,452)	(351,461)
Net Cash Used by Investing Activities	(44,080)	(251,189)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions restricted for long-term investment	46,000	-
Net Cash Provided by Financing Activities	46,000	-
Net Change in Cash, Cash Equivalents, and Restricted Cash	35,873	(226,452)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	235,091	461,543
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 270,964	\$ 235,091

See independent accountants' compilation report and notes to financial statements



# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2023 and 2022

### 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, 2023 and 2022

### 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. As of December 31, 2023 and 2022, approximately \$133,300 and \$26,000 was in excess of federally insured limits, respectively. Interest income on the statements of activities relates to interest earnings on cash and cash equivalents and certificates of deposit.

#### RESTRICTED CASH

Restricted cash consists of cash held for future capital projects.

#### INVESTMENTS

Investments consist of certificates of deposit, some of which are publicly traded and others that are held by banks. Certificates of deposit that are held by banks are reported at cost plus accrued interest as of December 31, 2023 and 2022, and total \$217,095 and \$100,655, respectively. The remaining investments are reported at fair value based upon inputs consisting of observable inputs other than quoted prices for identical assets, which is Level 2 of the fair value hierarchy established under the *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The fair values of the certificates of deposit are based on observable inputs other than the quoted prices included in Level 1 and thus are based on yields for securities of comparable maturity, quality, and type as obtained from market makers. Investments reported at fair value total \$121,280 and \$200,569 as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, Ndoto had certificates of deposit with interest rates ranging from 4.8% to 5.4% and have maturity dates ranging from February 13, 2024 to November 23, 2026. 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. All certificates of deposit are federally insured.

#### 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, 2023 and 2022, there were no assets held in or liabilities related to activities in Kisumu, Kenya.

# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2023 and 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PROPERTY AND EQUIPMENT, NET

Property and equipment purchased by Ndotu are recorded at cost. Ndotu 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 both years ended December 31, 2023 and 2022, depreciation expense was \$2,963.

#### 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.

#### 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 Ndotu. Bequests are reported as support at the time Ndotu has an established right to the bequest and proceeds are measurable. Revenues are reported when earned. Ndotu 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. Ndotu did not incur any advertising expenses during the years ended December 31, 2023 and 2022. 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. Ndotu incurred no joint costs for the years ended December 31, 2023 and 2022.

# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2023 and 2022

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects Ndoto'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,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 224,964	\$ 235,091
Certificates of deposit	338,375	301,224
Financial assets, at year end	563,339	536,315
Less those unavailable for general expenditure within one year, due to:		
Donor restrictions based on purpose or time	(118,667)	(106,811)
Financial assets available to meet general obligations within one year	\$ 444,672	\$ 429,504

As part of Ndoto'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, 2023 and 2022, respectively, Ndoto has \$447,967 and \$367,347 of net assets with donor restrictions. Management expects to spend \$329,300 and \$259,900, respectively, on these programs in 2024 and 2023 and are therefore considered available to meet general expenditures within one year.

4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2023	2022
Sponsorships	\$ 369,161	\$ 366,711
Campus capital campaign	46,000	-
Leadership transitions	20,000	-
Ndoto sports	11,351	-
Ndoto Academy	878	-
Visiting missionary	500	-
Student emergency	77	636
	\$ 447,967	\$ 367,347

# **NDOTO: FOR AFRICA'S FUTURE**

## **Notes to Financial Statements**

December 31, 2023 and 2022

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, 2023 and 2022, \$273,144 and \$259,303, respectively, was reported as a grant expense to Ndoto Kenya. As of December 31, 2023 and 2022, Ndoto reported a prepaid expense of \$54,640 and \$12,784, 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, 2023 and 2022, the top 10 givers provided approximately 38% and 23%, respectively, of the support to Ndoto.

7. **SUBSEQUENT EVENTS:**

Subsequent events have been evaluated through March 1, 2024, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.