



NDOTO: FOR AFRICA'S FUTURE

Financial Statements  
With Independent Accountants' Compilation  
Report

December 31, 2024

# NDOTO: FOR AFRICA'S FUTURE

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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of Ndoto: For Africa's Future (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses 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.

We also performed a compilation engagement on the adjustment described in Note 7 that was applied to restate the net assets as of January 1, 2024. We have not audited or reviewed the adjustment described in Note 7 that was applied to restate the net assets as of January 1, 2024, and do not express an opinion, a conclusion, nor provide any assurance on the adjustment.

*Capin Crouse LLC*

Irving, Texas  
March 24, 2025

# NDOTO: FOR AFRICA'S FUTURE

## Statement of Financial Position

December 31, 2024

### ASSETS:

Cash and cash equivalents	\$ 86,794
Restricted cash	52,837
Total cash, cash equivalents, and restricted cash	<u>139,631</u>
Prepays and other assets	197
Investments	412,250
Property and equipment-net	<u>4,691</u>
Total Assets	<u>\$ 556,769</u>

### LIABILITIES AND NET ASSETS:

#### Liabilities:

Accounts payable	\$ 996
Total liabilities	<u>996</u>

#### Net assets:

Without donor restrictions	209,288
With donor restrictions	346,485
Total net assets	<u>555,773</u>

Total Liabilities and Net Assets	<u>\$ 556,769</u>
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See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>			
Contributions	\$ 170,402	\$ 272,330	\$ 442,732
Investment income	26,459	-	26,459
Other income	611	-	611
Total Support and Revenue	<u>197,472</u>	<u>272,330</u>	<u>469,802</u>
<b>NET ASSETS RELEASED:</b>			
Satisfaction of restrictions	<u>319,172</u>	<u>(319,172)</u>	<u>-</u>
<b>EXPENSES:</b>			
Program services:			
Sponsorships	297,598	-	297,598
Visiting missionary	15,037	-	15,037
Development	44,702	-	44,702
Student emergency	3,338	-	3,338
Ndoto Academy	33,495	-	33,495
	<u>394,170</u>	<u>-</u>	<u>394,170</u>
Supporting activities:			
General and administrative	65,815	-	65,815
Fund-raising	70,768	-	70,768
Total Expenses	<u>530,753</u>	<u>-</u>	<u>530,753</u>
Change in Net Assets	<u>(14,109)</u>	<u>(46,842)</u>	<u>(60,951)</u>
Net Assets, Beginning of Year			
As previously stated	223,397	447,967	671,364
Prior period adjustment	-	(54,640)	(54,640)
As restated	<u>223,397</u>	<u>393,327</u>	<u>616,724</u>
Net Assets, End of Year	<u>\$ 209,288</u>	<u>\$ 346,485</u>	<u>\$ 555,773</u>

See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services					Total Program Services	Supporting Activities		TOTAL
	Sponsorships	Visiting Missionary	Development	Student Emergency	Ndoto Academy		General and Administrative	Fundraising	
Grants	\$ 263,810	\$ 256	\$ 32,039	\$ 327	\$ 23,466	\$ 319,898	\$ -	\$ -	\$ 319,898
Salaries and benefits	31,658	9,428	12,663	3,011	10,029	66,789	40,100	49,403	156,292
Travel and meetings	166	5,353	-	-	-	5,519	9,216	4,271	19,006
Office expenses	570	-	-	-	-	570	14,098	1,026	15,694
Other	1,394	-	-	-	-	1,394	2,401	16,068	19,863
	\$ 297,598	\$ 15,037	\$ 44,702	\$ 3,338	\$ 33,495	\$ 394,170	\$ 65,815	\$ 70,768	\$ 530,753

See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Statement of Cash Flows

Year Ended December 31, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (60,951)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	2,963
Realized and unrealized gain	(22,098)
Contributions restricted for long-term investment	(26,145)
Changes in operating assets and liabilities:	
Prepaid expenses and other assets	3,869
Accounts payable	(3,339)
Net Cash Used by Operating Activities	<u>(105,701)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of investments	298,223
Purchases of investments	(350,000)
Net Cash Used by Investing Activities	<u>(51,777)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES:

Contributions restricted for long-term investment	26,145
Net Cash Provided by Financing Activities	<u>26,145</u>

Net Change in Cash, Cash Equivalents, and Restricted Cash (131,333)

Cash, Cash Equivalents, and Restricted Cash, Beginning of Year 270,964

Cash, Cash Equivalents, and Restricted Cash, End of Year \$ 139,631

See independent accountants' compilation report and notes to financial statements

# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2024

### 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 typically being carried out by Ndoto Kenya, a separately controlled nonprofit organization:

**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, 2024

### 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. Ndoto provides grants to a separately controlled nonprofit organization in Kenya called Ndoto Kenya. The financial results of Ndoto Kenya are not included in Ndoto's financial statements due to lack of economic interest and board control. 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, 2024, Ndoto had no funds in excess of federally insured limits.

#### 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, 2024, and total \$285,029. The remaining certificate of deposit 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 valuation inputs of such investments are based on yields for securities of comparable maturity, quality, and interest rate as obtained from market makers. Investments reported at fair value total \$127,221 as of December 31, 2024.

As of December 31, 2024, Ndoto had certificates of deposit with interest rates ranging from 4.0% to 5.4% and have maturity dates ranging from January 18, 2025, to November 8, 2027. All certificates of deposit are federally insured.

# NDOTO: FOR AFRICA'S FUTURE

## Notes to Financial Statements

December 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### 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 year ended December 31, 2024, 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 NdotO. Bequests are reported as support at the time NdotO has an established right to the bequest and proceeds are measurable. Revenues are reported when earned. NdotO 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 statement of activities as a satisfaction of purpose restrictions.

#### EXPENSES

Expenses are reported when incurred. NdotO did not incur any advertising expenses during the year ended December 31, 2024. The costs of providing the various program services and supporting activities have been summarized in the statement 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. NdotO incurred no joint costs for the year ended December 31, 2024.

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## Notes to Financial Statements

December 31, 2024

### 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 statement of financial position date as of December 31, 2024:

Financial assets:	
Cash and cash equivalents	\$ 86,794
Restricted cash	52,837
Investments	412,250
Financial assets, at year end	<u>551,881</u>
Less those unavailable for general expenditure within one year, due to:	
Donor restrictions based on purpose or time	<u>-</u>
Financial assets available to meet general obligations within one year	<u>\$ 551,881</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, 2024, Ndot has \$346,485 of net assets with donor restrictions. Management expects to spend \$346,485 on these programs in 2025 and is therefore considered available to meet general expenditures within one year.

### 4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following at December 31, 2024:

Sponsorships	\$ 266,020
Campus capital campaign	52,837
Leadership transitions	20,400
Catherine Ray Memorial van	6,435
Ndot Academy	793
	<u>346,485</u>

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## Notes to Financial Statements

December 31, 2024

5. RELATED PARTY TRANSACTIONS:

Ndoto provides financial support to Ndoto Kenya each year. During the year ended December 31, 2024, \$315,000 was reported as a grant expense to Ndoto Kenya.

6. CONCENTRATION OF SUPPORT RISK:

For the years ended December 31, 2024 and 2023, the top 10 givers provided approximately 20% and 38%, respectively, of the support to Ndoto.

7. PRIOR PERIOD ADJUSTMENT:

Ndoto identified a correction during the year ended December 31, 2024 which restated net assets as of January 1, 2024. Ndoto identified that its prepaid grant expense previously recorded should not be held as an asset as of December 31, 2023. Instead, when funds are sent to Ndoto Kenya, Ndoto should have recorded the grant expense since there was no barrier for Ndoto Kenya to recognize the revenue. Thus, the funds should have been expensed by Ndoto rather than recorded as a prepaid expense. This correction decreased net assets with donor restrictions by \$54,640 as of January 1, 2024, on the statement of activities.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 24, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.