



Financial Statements

Friends of Ngong Road

Minneapolis, Minnesota

For the years ended December 31, 2022 and 2021



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Friends of Ngong Road
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December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Friends of Ngong Road
Minneapolis, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Friends of Ngong Road (the Organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Prior Year Restatement

As discussed in Note 1 to the consolidated financial statements, certain changes in accounting policy were made in 2022. Accordingly, the consolidated financial statements as of December 31, 2021 have been restated to reflect this change. Our opinion is not modified with respect to that matter.



Abdo
Minneapolis, Minnesota
March 30, 2023



CONSOLIDATED FINANCIAL STATEMENTS

Friends of Ngong Road
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Cash	\$ 491,715	\$ 443,071
Investments	900,325	1,015,111
Pledges receivable, net	-	2,000
Inventory	1,039	1,234
Prepaid expenses	4,381	4,647
Total Current Assets	<u>1,397,460</u>	<u>1,466,063</u>
Fixed Assets		
Equipment	1,369	1,350
Less accumulated depreciation	<u>(304)</u>	<u>(300)</u>
Total Fixed Assets, Net	<u>1,065</u>	<u>1,050</u>
Total Assets	<u><u>\$ 1,398,525</u></u>	<u><u>\$ 1,467,113</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 5,544	\$ 9,929
Accrued expenses	13,761	6,657
Total Liabilities	<u>19,305</u>	<u>16,586</u>
Net Assets		
Without donor restrictions:		
Designated by the board for endowment funds	900,325	1,015,111
Undesignated	168,611	331,554
Total without donor restrictions	<u>1,068,936</u>	<u>1,346,665</u>
With donor restrictions		
Purpose restrictions	310,284	101,862
Time-restricted for future periods	-	2,000
Total with donor restrictions	<u>310,284</u>	<u>103,862</u>
Total Net Assets	<u>1,379,220</u>	<u>1,450,527</u>
Total Liabilities and Net Assets	<u><u>\$ 1,398,525</u></u>	<u><u>\$ 1,467,113</u></u>

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Friends of Ngong Road
Consolidated Statements of Activities
For the Year Ended December 31, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and grants	\$ 754,132	\$ 363,656	\$ 1,117,788
In-kind donations	8,112	-	8,112
Investment loss	(138,036)	-	(138,036)
Other income (loss)	(10,951)	-	(10,951)
Revenue and Other Support	613,257	363,656	976,913
Net Assets Released from Restrictions	157,234	(157,234)	-
Total Revenue and Other Support	770,491	206,422	976,913
Expenses			
Program services	669,659	-	669,659
Supporting services			
Management and general	295,808	-	295,808
Fundraising	82,753	-	82,753
Total Expenses	1,048,220	-	1,048,220
Change in Net Assets	(277,729)	206,422	(71,307)
Beginning Net Assets	1,346,665	103,862	1,450,527
Ending Net Assets	\$ 1,068,936	\$ 310,284	\$ 1,379,220

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Friends of Ngong Road
Consolidated Statements of Activities (Continued)
For the Year Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and grants	\$ 885,090	\$ 39,000	\$ 924,090
In-kind donations	70	-	70
Investment income	92,191	-	92,191
Other income (loss)	122	-	122
Revenue and Other Support	<u>977,473</u>	<u>39,000</u>	<u>1,016,473</u>
Net Assets Released from Restrictions	<u>117,786</u>	<u>(117,786)</u>	<u>-</u>
Total Revenue and Other Support	<u>1,095,259</u>	<u>(78,786)</u>	<u>1,016,473</u>
Expenses			
Program services	572,488	-	572,488
Supporting services			
Management and general	174,985	-	174,985
Fundraising	76,533	-	76,533
Total Expenses	<u>824,006</u>	<u>-</u>	<u>824,006</u>
Change in Net Assets	271,253	(78,786)	192,467
Beginning Net Assets	<u>1,075,412</u>	<u>182,648</u>	<u>1,258,060</u>
Ending Net Assets	<u>\$ 1,346,665</u>	<u>\$ 103,862</u>	<u>\$ 1,450,527</u>

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Friends of Ngong Road
Consolidated Statements of Functional Expenses
For the Year Ended December 31, 2022

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Expenses				
Program disbursements	\$ 586,468	\$ -	\$ -	\$ 586,468
Salaries and related expenses	82,995	141,235	51,100	275,330
Business expenses	-	140,606	418	141,024
Cost of goods sold	196	-	-	196
Donated goods and services	-	3,621	4,491	8,112
Travel and meetings	-	-	26,744	26,744
Accounting and tax	-	9,929	-	9,929
Depreciation	-	417	-	417
Total Expenses	<u>\$ 669,659</u>	<u>\$ 295,808</u>	<u>\$ 82,753</u>	<u>\$ 1,048,220</u>

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Friends of Ngong Road
Consolidated Statements of Functional Expenses (Continued)
For the Year Ended December 31, 2021

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Expenses				
Program disbursements	\$ 535,484	\$ -	\$ -	\$ 535,484
Salaries and related expenses	36,846	69,240	57,235	163,321
Business expenses	-	95,075	18,084	113,159
Cost of goods sold	158	-	-	158
Donated goods and services	-	70	-	70
Travel and meetings	-	-	1,214	1,214
Accounting and tax	-	10,600	-	10,600
Total Expenses	<u>\$ 572,488</u>	<u>\$ 174,985</u>	<u>\$ 76,533</u>	<u>\$ 824,006</u>

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Friends of Ngong Road
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (71,307)	\$ 192,467
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	417	300
Loss on disposal of fixed assets	937	-
Realized and unrealized (gain) loss on investments	158,432	(68,860)
Change in current assets and liabilities:		
Pledges receivable	2,000	110,366
Inventory	195	159
Prepaid expenses	266	(253)
Accounts payable	(4,385)	9,487
Accrued expenses	7,104	(2,617)
Net Cash Provided by Operating Activities	<u>93,659</u>	<u>241,049</u>
Cash Flows from Investing Activities		
Purchase of investments	(306,516)	(582,899)
Proceeds from sale of investments	262,870	355,939
Purchase of fixed assets	(1,369)	(1,350)
Net Cash Used by Investing Activities	<u>(45,015)</u>	<u>(228,310)</u>
Change in Cash and Cash Equivalents	48,644	12,739
Beginning Cash and Cash Equivalents	<u>443,071</u>	<u>430,332</u>
Ending Cash and Cash Equivalents	<u>\$ 491,715</u>	<u>\$ 443,071</u>
Supplemental Disclosure of Non-Cash Financing Activities		
Receipt of in-kind goods and services	<u>\$ 8,112</u>	<u>\$ 70</u>

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

Friends of Ngong Road
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

The mission of Friends of Ngong Road (the Organization) is to empower Nairobi children living in poverty to transform their lives through education and support, leading to employment. The Organization pairs each sponsor with a specific child allowing a mutually beneficial relationship to develop.

Karibu Children's Fund LLC was established in 2016 to send funds for support of income-producing activities in Kenya and became active in 2018. Karibu Children's Fund LLC is a subsidiary of Friends of Ngong Road.

B. Basis of Consolidation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting with revenue being recorded when earned and expenditures recorded when the obligation is incurred, or the benefits are received in accordance with Generally Accepted Accounting Principles (GAAP).

Friends of Ngong Road is the sole member of Karibu Children's Fund LLC. Karibu Children's Fund LLC is consolidated within these financial statements.

C. Financial Statement Presentation

Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restriction - Resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board has set aside for a particular purpose.

Net Assets with Donor Restriction - Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization, or the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated those resources be maintained in perpetuity. At this time, the Organization has no such perpetually restricted resources.

D. Contributions

Contributions, unconditional promises to give, and other assets are recognized at fair values and recorded as made. All contributions are considered to be without donor restriction unless specifically restricted by the donor. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed or when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents. US Dollar (USD) cash and cash equivalents are insured by the FDIC.

Cash balances at December 31, 2022 and 2021 include Kenya Shillings (KES). The Organization began purchasing KES in 2020 for the sole purpose of funding approved program activities in Ngong Road Children's Foundation. The Organization does not make speculative purchases or sales of any currency in an effort to generate profits from currency trading. Transactions in foreign currencies are translated into USD (the organization's functional currency) at the exchange rates on the dates of the transactions. Foreign currency balances are translated into USD at the exchange rate at the reporting date. Realized gains and losses reflect the change in the exchange rate from the purchase date to the translation dates.

Note 1: Summary of Significant Accounting Policies (Continued)

F. Investments

The Organization carries its fixed income and equity funds at fair value and realized and unrealized gains/losses are reflected in the statements of activities.

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

G. Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Conditional pledges are not included as support until such time as the conditions are substantially met. At December 31, 2022 and 2021, no allowance was recorded.

H. Fixed Assets

The Organization capitalizes laptops, tablets, and related necessary accessories in excess of \$500. Fixed assets are presented at cost, and depreciation is computed on a straight-line basis over the estimated useful life of three years. Depreciation expense as of December 31, 2022 and 2021 was \$417 and \$300, respectively.

I. In-kind Contributions

Contributions of gifts in-kind that can be used or sold by the Organization are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

J. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

K. Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services are reflected on the Consolidated Statements of Activities and the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs that can be directly identified by management are allocated directly to the supporting function. Other costs not able to be directly identified are allocated based on management estimates.

L. Advertising Expense

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$12,125 and \$7,741 for the years ended December 31, 2022 and 2021, respectively.

M. Tax Exempt Status

The Organization has tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Friends of Ngong Road
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

Note 1: Summary of Significant Accounting Policies (Continued)

N. Change in Accounting Policy

In 2022, the Organization changed accounting policies relating to foreign currency exchange translation. The consolidated financial statements as of December 31, 2021 have been restated to reflect this change in policy. See Note 3 for additional details regarding the change in policy.

O. New Accounting Standards

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition to separate presentation on the statement of activities, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, description of programs or activities in which the assets were used, and if monetized a policy about monetizing rather than utilizing the asset(s). The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. The new guidance is effective for the Organization in the current year. The Organization has implemented the guidance and the results are reflected and explained in the financial statements and related notes.

P. Subsequent Events

In preparing the consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 30, 2023, the date the consolidated financial statements were available to be issued.

Note 2: Pledges Receivable

Pledges receivable consists of commitments from various donors. The balance of pledges receivable consists of the following at December 31:

	2022	2021
Amounts due in:		
Less than one year	\$ -	\$ 2,000

Note 3: Foreign Currency Translation

In 2022, the Organization made a change to its accounting policy for foreign currency translation. The exchange rate used to translate purchases of KES into USD, under both the prior and new policies, reflects the actual rate paid by the Organization to acquire KES. The actual rate at transaction is typically 1.5 to 2 KES per USD less than the publicly published exchange rate. That difference is due to the spread earned by our currency partner on purchases of KES.

When KES are transferred to Ngong Road Children's Foundation for budgeted expenses, the Organization marks to market the KES transferred and realizes a gain or loss on the "disposal" of those KES. Because there is no fee or spread to transfer KES already held, prior to 2022, the rate used to translate KES to USD at the point of disposal was the publicly published exchange rate on the date of the transfer. As a result, the gain or loss calculation reflected both the price movement in the exchange rate from purchase date to disposal date, and the spread on the purchase side of the transaction.

Friends of Ngong Road
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

Note 3: Foreign Currency Translation (Continued)

The new policy calculates the gain or loss by deducting the spread on the purchase of the disposed KES from the publicly published exchange rate on the date of the disposal. The resulting gain or loss is a more accurate reflection of the change in the price movement of the KES from the point of purchase to the point of disposal.

The Organization realized \$12,295 in net losses and \$706 in net gains from currency translation from KES to USD in the years ended December 31, 2022 and 2021, respectively. The 2021 realized gain has been restated to reflect the new accounting policy. Under the old policy, the organization reported a net realized loss from currency translation from KES to USD of \$7,454 in the year ended December 31, 2021.

Disbursements to Ngong Road Children's Foundation in 2022 and 2021 were paid in KES. Foreign currency activity for the years ended December 31, 2022 and 2021 are reflected below.

	2022	2021
Kenya Shilling (KES) Transactions		
Beginning Balance, January 1	KES 18,249,759	KES 9,382,305
Purchases	51,325,000	66,800,000
Disbursements for Program Activities	<u>(68,729,761)</u>	<u>(57,932,546)</u>
Ending Balance, December 31	KES <u>844,998</u>	KES <u>18,249,759</u>
US Dollar Equivalent of KES held at December 31	<u>\$ 7,089</u>	<u>\$ 164,777</u>

Note 4: Net Assets With Donor Restrictions

Donor restricted net assets consist of the following donor restrictions as of December 31:

	2022	2021
Purpose Restricted:		
Program	\$ 62,508	\$ 66,833
Transition fund	246,392	25,000
Technology for Kenya	1,384	10,029
Total Purpose Restricted	<u>310,284</u>	<u>101,862</u>
Time Restricted:		
Sustaining pledges	<u>-</u>	<u>2,000</u>
Net Assets with Donor Restrictions, December 31	<u>\$ 310,284</u>	<u>\$ 103,862</u>

Note 5: Related Party Transactions

The Organization's sister organization, Ngong Road Children's Foundation, operates in Kenya. The boards of both organizations work together to ensure the program in Kenya is effective and well-managed, and that donors are satisfied and supportive. The Organization remitted a total of \$586,468 and \$535,484 to Ngong Road Children's Foundation during the years ended December 31, 2022 and 2021, respectively.

During 2014, Karibu Loo Limited (Karibu Loo) began operations as a fully owned subsidiary of Ngong Road Children's Foundation. In 2017, Karibu Loo was approved by Kenya authorities and became a standalone entity. Karibu Children's Fund LLC is a member of Karibu Loo. The Organization remitted a total of \$0 to Karibu Loo during the years ended December 31, 2022 and 2021.

Friends of Ngong Road
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

Note 6: Fair Value Measurements

Fair value measurement accounting literature establishes a fair value hierarchy based on the priority of the inputs used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Consolidated Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1 - Inputs are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access. The Organization has investments of equities and bonds included in Level 1.

Level 2 - Inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 - Inputs are unobservable and significant to the fair value measurement.

The Organization uses the following valuation methodologies for each type of investment:

Fixed Income and Equity Funds - Valued at the net asset value (NAV) of shares held by the Organization at year end.

Investment Cash - Valued at the daily closing price as reported by the fund.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value:

December 31, 2022	Level 1	Level 2	Level 3	Total
Fixed Income Funds	\$ 263,187	\$ -	\$ -	\$ 263,187
Equity Funds	635,904	-	-	635,904
Invested Cash	1,234	-	-	1,234
Total	<u>\$ 900,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 900,325</u>
December 31, 2021	Level 1	Level 2	Level 3	Total
Fixed Income Funds	\$ 333,031	\$ -	\$ -	\$ 333,031
Equity Funds	679,413	-	-	679,413
Invested Cash	2,667	-	-	2,667
Total	<u>\$ 1,015,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,015,111</u>

Friends of Ngong Road
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

Note 7: Endowment

The purpose of the Organization's board-designated endowment is to provide for future spending needs. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization has no donor-restricted endowment funds or donor-designated endowments as of December 31, 2022 and 2021.

Board-designated endowment fund activity for the years ended December 31, 2022 and 2021 is as follows:

Endowment Net Assets, January 1, 2021	\$ 719,291
Net contributions	203,660
Investment income	92,160
Endowment Net Assets, December 31, 2021	<u>1,015,111</u>
Net contributions	25,356
Investment loss	<u>(140,142)</u>
Endowment Net Assets, December 31, 2022	<u><u>\$ 900,325</u></u>

Investment Objectives and Strategies

The investment objective of the Endowment Fund is based upon a long-term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. The return target is 4% plus inflation and fees. To accomplish this return goal, the Endowment Fund will diversify its assets among several asset classes and seek to manage risk effectively. Investment fees and costs were 0.59% and 0.64% in 2022 and 2021, respectively.

Spending Policy

The purpose of the Endowment Fund is to provide funding, in perpetuity, for programs of Friends of Ngong Road. The Board of Directors will approve from time to time a spending rate but expects that a spending rate of 4% to be appropriate for sustaining the purchasing power of the Endowment Fund and yet still providing the funding for which the Endowment Fund was established. Distributions from the Endowment Fund were \$0 in 2022 and 2021.

Note 8: In-kind Contributions

In-kind contributions consist of the following as of December 31:

	<u>2022</u>	<u>2021</u>	<u>Usage in Programs/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Techniques</u>
Travel	\$ 4,212	\$ 70	Management and general	None	Estimated wholesale price of identical or similar products if purchased in the region
Other	<u>3,900</u>	<u>-</u>	Fundraising	None	Estimated wholesale prices of identical or similar products if purchased in the region
Total In-Kind Contributions	<u><u>\$ 8,112</u></u>	<u><u>\$ 70</u></u>			

Friends of Ngong Road
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

Note 9: Liquidity and Availability of Financial Assets

The Organization's financial assets due within one year of the balance sheet date for general expenditures are as follows as of December 31, 2022 and 2021, respectively:

	2022	2021
Cash	\$ 491,715	\$ 443,071
Investments	900,325	1,015,111
Pledges Receivable, Net of Discounts and Allowances	-	2,000
Total Financial Assets Available Within One Year	<u>1,392,040</u>	<u>1,460,182</u>
Less: amounts unavailable for general expenditures within one year, due to:		
Board-designated for endowment	(900,325)	(1,015,111)
Net assets with donor restrictions - purpose restriction	(310,284)	(101,862)
Total Amounts Unavailable for General Expenditures Within One Year	<u>(1,210,609)</u>	<u>(1,116,973)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 181,431</u>	<u>\$ 343,209</u>

The Board of Directors and Management routinely monitor liquidity and cash reserves which fund operations and program service delivery in accordance with established policies. Additionally, the board designated investments of \$900,325 can be drawn upon through board resolution for operational needs at any time.