

**KENYA WORKS, INC.**  
**APPLETON, WISCONSIN**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12



# **Erickson & Associates, S.C.**

## *Certified Public Accountants*

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### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Kenya Works, Inc.  
Appleton, Wisconsin

#### **Opinion**

We have audited the accompanying financial statements of Kenya Works, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kenya Works, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit 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 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.

#### **Management's Responsibilities for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 Kenya Works Inc.'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 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.

*Erickson & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.

Appleton, Wisconsin

October 23, 2024

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**STATEMENT OF FINANCIAL POSITION**  
December 31, 2023

**ASSETS**

Current assets:		
Cash	\$	197,767
Contributions receivable		<u>28,297</u>
Total assets	\$	<u><u>226,064</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable	\$	<u>12,207</u>
Net assets:		
Without donor restrictions		58,978
With donor restrictions		<u>154,879</u>
Total net assets		<u>213,857</u>
Total liabilities and net assets	\$	<u><u>226,064</u></u>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Operating revenues:			
Contributions	\$ 671,713	\$ 498,471	\$ 1,170,184
Net assets released from restrictions:			
Satisfaction of time restrictions	25,002	(25,002)	--
Satisfaction of purpose restrictions	393,234	(393,234)	--
Total operating revenues	1,089,949	80,235	1,170,184
Operating expenses:			
Program services	1,218,382	--	1,218,382
Management and general	12,687	--	12,687
Fundraising	17,598	--	17,598
Total operating expenses	1,248,667	--	1,248,667
Net operating revenues over operating expenses	( 158,718)	80,235	( 78,483)
Net assets - beginning of year	217,696	74,644	292,340
Net assets - end of year	\$ 58,978	\$ 154,879	\$ 213,857

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**KENYA WORKS, INC.**  
**APPLETON, WISCONSIN**

**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2023

	Program Services		
	Kenya Works Programs	VICODEC Programs	Total Program Services
Scholarships	\$ 301,505	\$ 65,725	\$ 367,230
Kenya Works programs - other	152,679	-	152,679
VICODEC programs - other	--	25,255	25,255
Feeding programs	--	49,823	49,823
TAPA	10,000	--	10,000
Miale ya Tumaini	332,636	--	332,636
Makini Pad Initiative	181,397	--	181,397
Kenya Works -			
Community Works	71,146	--	71,146
Travel	8,754	--	8,754
Bank fees	--	--	--
Miscellaneous expense	--	--	--
Printing	--	--	--
Professional services	--	--	--
Marketing and advertising	--	--	--
Stipends	19,462	--	19,462
Total expenses	<u>\$ 1,077,579</u>	<u>\$ 140,803</u>	<u>\$ 1,218,382</u>

<u>Support Services</u>			
<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Support Services</u>	<u>Total Expenses</u>
\$ --	\$ --	\$ --	\$ 367,230
--	--	--	152,679
--	--	--	25,255
--	--	--	49,823
--	--	--	10,000
--	--	--	332,636
--	--	--	181,397
--	--	--	71,146
--	--	--	8,754
295	--	295	295
1,743	--	1,743	1,743
3,049	3,049	6,098	6,098
7,600	--	7,600	7,600
--	14,549	14,549	14,549
--	--	--	19,462
<u>\$ 12,687</u>	<u>\$ 17,598</u>	<u>\$ 30,285</u>	<u>\$ 1,248,667</u>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.



**KENYA WORKS, INC.**  
**APPLETON, WISCONSIN**

**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2023

Cash flows from operating activities:	
Support received	\$ 1,166,889
Cash paid for operating expenses	<u>( 1,246,603)</u>
Net cash provided by operating activities	( 79,714)
Cash balance, beginning of year	<u>277,481</u>
Cash balance, end of year	<u><u>\$ 197,767</u></u>

**RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Change in net assets	\$ ( 78,483)
Increase in operating assets:	
Contributions receivable	( 3,295)
Increase in operating liabilities:	
Accounts payable	<u>2,064</u>
Net cash provided by operating activities	<u><u>\$ ( 79,714)</u></u>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies:**

**Nature of Activities**

Kenya Works, Inc. (Organization or Kenya Works) empowers vulnerable children and families to overcome poverty and advocate for human rights in Kenya. Kenya Works pillars are built on the proven intervention of food and shelter, menstrual hygiene management, education and community-based human rights training.

Together with our donors and partners, we effectively deliver on key United Nations Sustainable Development Goals (SDGs) in the fight to end poverty.

The Organization is supported through a balance of individual donors, corporate matching and grants from private foundations.

A description of the Organization's programs are as follows:

**Kenya Works Scholarships: Paving the Path from Poverty with Education and Knowledge.** In the words of Nelson Mandela, "Education is the most powerful weapon which you can use to change the world." Over half of Kenyan school children do not complete secondary education. Many families are unable to afford school fees, uniforms and supplies. Lack of basic nutrition keeps millions of kids from performing well in school, and many areas lack buildings and water resources that enable learning. Kenya Works Education Works provides sponsorships for both primary and secondary school students, which includes case management for students and families, school fees, uniforms, daily meals, books as well as room and board for secondary students. Through our school feeding programs, we ensure thousands of students receive a nourishing meal and we partner with communities on school building and infrastructure projects that power learning.

**Partnership with VICODEC (Victory Community Development Center):** Kenya Works and Vicodec, a Kenyan charitable trust, have a strategic partnership as well as a collaborative connection with U.S. Venture, Inc. (USV), a private U.S. based company that supports both organizations with grant funding, associate donations and corporate matching funds.

**VICODEC Scholarships -**Kenya Works manages the student sponsorship program for VICODEC students sponsored by U.S. residents within the Kenya Works Sponsorship Program.

**VICODEC Feeding Program –** Kenya Works receives funds from USV associates restricted to VICODEC feeding programs.

**VICODEC Other –** Other activities of VICODEC (Victory Community Development Center) such as transportation and other needs of the center.

**Kenya Works programs other –** Other program expenses for Kenya Works served to pay for the personnel in Kenya who implement the programs, and for the construction of the Kenya Works Community Center located in Ongate Rongai, Kenya which is owned by the Kenya Works Foundational Trust for the benefit of the community.

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

TAPA - Transform A Person Africa (TAPA) is a preschool found in Kibera, the second largest slum in Africa. It is a joyful place where children feel safe and loved. When they leave the school to continue their primary education, dinner, uniforms and tutoring support is offered so they always remain a part of the TAPA family. The TAPA school motto, "linking children to their potential," and the Kenya Works motto, "partnering with communities, expanding opportunities," are supporting initiatives that together, are bringing communities the tools to forge lives of dignity and hope.

Miale ya Tumaini was born out of a passion to ensure that no child goes to bed hungry. It began as a community feeding center and grew to meet community needs for shelter. It now serves as a child protection center. The Center provides secure residential shelter for children who are unhoused or placed in care by child protection authorities. Children are welcomed into a warm and supportive environment at the shelter, modeling the best of heart and home. Specialized services and counseling create opportunities to work through trauma and behavioral impacts while developing healthy habits and routines around nutrition, education and supportive cooperative living. Social workers from the Center engage with families of sheltered children to address child welfare concerns and strengthen family foundations through supportive services. We ensure children remain connected with their families, extended families and supportive adults in their lives – situations unique to each child's circumstance and aligned with the national goal of ensuring children are placed into a home situation whenever possible. Each night, the center is home to as many as 170 children.

Makini Pad Initiative is also known as Menstrual Health and Hygiene (MHH Works): Kenyan adolescent girls are at risk of life-changing violations, including forced early marriage, female genital mutilation, sexual and gender-based violence and unwanted pregnancy. At the same time the vast majority are deprived of menstrual health and hygiene (MHH) – access to products and water/sanitation facilities as well as training about adolescent health and their legal and human rights. MHH deprivation – commonly known as period poverty affects two thirds of Kenyan women and girls. MHH empowers girls and their communities. We produce and provide high-quality reusable menstrual products along with inspiring education so girls have the information and products to protect their health and rights. We help girls build communities of support, including boys as allies with our Boxers for Boys initiative, building next-generation movement of empowerment for all. Our products are proudly made in Kenya by a women-led team, and a production unit largely composed of women workers. Kenya Works multiplies MHH impact by supplying other organizations with products, training and monitoring and evaluation tools as well.

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

Kenya Works Community Works -Activating Communities to Advance Human Rights for All: Nearly half of Kenyan women and girls experience domestic and/or sexual violence, 23 percent are forced into early marriage and 21 percent are subjected to female genital mutilation. Laws introduced over the past decade bar these human rights violations, but research shows that community level training is also needed to change entrenched cultural practices. Kenya Works Community Works partners with communities to build local capacity for challenging harmful cultural practices. We dispatch field teams into communities across Kenya to provide 4-day social behavior change (SBC) workshops customized around prevalent issues. Local change agents are brought together across the community and collectively trained on a variety of techniques that challenge accepted practices and norms and accelerate positive change. Kenya Works stays connected to each of the KWCW projects through group messaging, offering remote guidance and group facilitation.

**Contributions and Contributions Receivable**

Contributions are considered to be available for unrestricted uses unless specifically restricted by the donor.

Contributions receivable are reported at fair value on the date that the promise is received. Conditional promises to give and indications of intention to give are reported at fair value at the date the gift is deemed to be unconditional. Contributions receivable as of December 31, 2023, are all due within one year and are included with current assets.

The contributions are reported as either with or without donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met within the same year as received are reflected as contributions with donor restrictions and net assets released from restrictions in the accompanying financial statements.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**Basis of Presentation**

The Organization's financial statements are presented in accordance with the requirements of the *Non-Profit Entities Topic of the FASB Accounting Standards Codification*. Under this Topic, the Organization is required to report information regarding its financial position and activities based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions - amounts subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

**Cash and Cash Equivalents**

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Marketing and Advertising**

Marketing and advertising costs are expensed as incurred.

**Functional Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated based on the activities that the Organization is involved in.

**Measure of Operations**

The Organization's net operating expenses in excess of operating revenues include all operating revenues and expenses that are an integral part of its programs and supporting activities and net assets released from donor restrictions to support operating expenditures.

**Note 2. Tax Exempt Status:**

The Organization is a not-for-profit organization which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation, and donations made to the Organization qualify for the 50% charitable contribution deduction. The Organization is also exempt from Wisconsin income taxes.

The Organization adopted the provision of the *Income Taxes Topic of the FASB Accounting Standards Codification*. As a result the Organization evaluates its tax positions based on whether or not the position is more likely than not to be sustained upon examination by taxing authorities. The Organization continually evaluates its tax positions, changes in tax law and new authoritative rulings for potential implications on its tax status. The Organization's federal returns are subject to examination generally for three years after filed.

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 3. Liquidity Management:**

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash (less \$126,582) reserved for particular purposes	\$	71,185
Contributions receivable		28,297
Total	\$	98,482

The Organization's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Note 4. Net Assets:**

Funds are not released to the unrestricted operations until the purpose or time restriction is met. Donor restricted net assets consisted of the following at December 31, 2023:

Net assets without donor restrictions:

Undesignated	\$	58,978
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Net assets with donor restrictions:

VICODEC scholarships		24,196
Kenya Works scholarships		26,383
Makini Pad Initiative		646
Miale ya Tumaini		75,357
Contributions receivable - time restricted		28,297
Net assets with donor restrictions		154,879
Total net assets	\$	213,857

Net assets were released from donor restrictions by incurring expenses or capital expenditures satisfying the restrictions specified by the donors as follows at December 31, 2023:

VICODEC general fund	\$	45,516
VICODEC scholarships		60,683
VICODEC feeding programs		4,114
Kenya Works scholarships		175,198
Miale		96,549
Makini Pad Initiative		7,574
Other Restrictions		3,600
Total satisfaction of purpose restrictions		393,234
Contributions - time restricted		25,002
Total	\$	418,236

**Note 5. Major Support Received:**

During the year ended December 31, 2023, the Organization received major support from two sources that exceeded 10% of the Organization's total revenues. Support from these sources was \$474,877 or 40.6% of revenue.

**KENYA WORKS, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 6 Concentration of Credit Risk**

The Organization maintains its bank account at a bank in the Fox Valley area. Deposits at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash deposits exceeded the federally insured limits during the year, but the cash deposits were not in excess of insurance at December 31, 2023. The Organization has not experienced any losses on the account. Management believes the Organization is not exposed to any significant credit risk on cash deposits.

**Note 7. Subsequent Events:**

The Organization has evaluated all subsequent events through October 23, 2024, the date on which the financial statements were available to be issued.