

TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)
FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2023



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Tanzania Education and Micro-Business Opportunity (TEMBO)

We have reviewed the accompanying financial statements of Tanzania Education and Micro-Business Opportunity (TEMBO) (the organization) that comprise the statement of financial position as at April 30, 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, TEMBO derives revenue from the general public in the form of donations and fundraising, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donation and fundraising revenue, net revenue, and cash flows from operations for the year ended April 30, 2023 and April 30, 2022 and current assets and net assets as at April 30, 2023 and April 30, 2022. Our conclusion on the financial statements for the year ending April 30, 2022 was modified accordingly.

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Independent Practitioner's Review Engagement Report to the Members of Tanzania Education and Micro-Business Opportunity (TEMBO) *(continued)*

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Tanzania Education and Micro-Business Opportunity (TEMBO) as at April 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
September 5, 2023

TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 155,979	\$ 157,727
Short-term investments	21,350	16,337
Prepaid expenses	1,642	1,530
	\$ 178,971	\$ 175,594
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,398	\$ 3,148
Deferred contribution (<i>Note 4</i>)	65,476	52,682
	68,874	55,830
NET ASSETS		
NET ASSETS	110,097	119,764
	\$ 178,971	\$ 175,594

Approved on behalf of the Board

_____ Director

_____ Director

TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED APRIL 30, 2023

	Unrestricted Fund	Reserve Fund (note 5)	2023	2022
BALANCE - BEGINNING OF YEAR	\$ 104,764	\$ 15,000	\$ 119,764	\$ 110,381
Transfer to Reserve Fund	(5,000)	5,000	-	-
Net revenue (expenses) for the year	(9,667)	-	(9,667)	9,383
BALANCE - END OF YEAR	\$ 90,097	\$ 20,000	\$ 110,097	\$ 119,764

TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)
STATEMENT OF OPERATIONS
YEAR ENDED APRIL 30, 2023

	2023	2022
REVENUES		
General	\$ 91,467	\$ 75,711
Sponsorship	69,046	65,308
Informal Education	7,970	3,530
Volunteer travel	2,493	-
Girls Hostel	1,584	276
Learning in Longido	18,041	10,962
Micro-Business	153	145
Fundraising events	29,687	42,309
Fence project grant	30,490	-
Interest income	1,525	142
	<u>252,456</u>	<u>198,383</u>
EXPENSES		
Administration	5,739	6,106
Fundraising	6,264	2,284
Grant to Tembo (Tanzania) (Note 6)	187,617	134,583
Grant to Learning in Longido (Note 6)	53,128	40,358
Marketing	1,368	664
Professional fees	5,514	5,005
Travel	2,493	-
	<u>262,123</u>	<u>189,000</u>
NET REVENUE (EXPENSES) FOR THE YEAR	<u>\$ (9,667)</u>	<u>\$ 9,383</u>

TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2023

	2023	2022
OPERATING ACTIVITIES		
Net revenue (expenses) for the year	\$ (9,667)	\$ 9,383
Changes in non-cash working capital:		
Prepaid expenses	(112)	(334)
Accounts payable and accrued liabilities	250	249
Deferred contribution	12,794	9,172
	<u>12,932</u>	<u>9,087</u>
Cash flow from operating activities	<u>3,265</u>	<u>18,470</u>
INVESTING ACTIVITY		
Change in short-term investments	<u>(5,013)</u>	<u>(49)</u>
CHANGE IN CASH POSITION DURING THE YEAR	(1,748)	18,421
Cash position - beginning of year	<u>157,727</u>	<u>139,306</u>
CASH POSITION - END OF YEAR	<u>\$ 155,979</u>	<u>\$ 157,727</u>

TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2023

1. PURPOSE OF THE ORGANIZATION

The Organization was originally incorporated without share capital on March 2, 2011 under the Canada Corporations Act, and received certification of continuance under the Canada Not-for-profit Corporations Act on August 19, 2014. The Organization is a registered charity, and is exempt from income tax. The Organization raises funds to educate and empower girls and women through education sponsorship, microbusiness, and informal education.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from fundraising events is recognized in the year in which the related event is held. If received in advance for a future event, this revenue is deferred until the event has taken place.

Revenue from book sales and marketplace is recognized when delivery has occurred, and collection is reasonably assured.

Investment income includes dividends and interest received on investments. Revenue is recognized in the year in which the income is received or receivable, if the amount can be reasonably estimated and collection reasonably assured.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue (expense) as appropriate in the year they become known.

Financial instruments

The Organization's financial instruments consist of cash, short-term investments and accounts payable and accrued liabilities.

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost. Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue. A previously recognized write-down can be reversed to the extent of the improvement

Contributed services

The operations of the Organization depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2023

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Organization is not exposed to significant interest rate, liquidity, market, currency or credit risks arising from its financial instruments. There has been no change to the risk exposure from the prior year.

4. DEFERRED CONTRIBUTIONS

Deferred contributions are restricted for use towards the applicable expenses for which the funding was received.

	Balance - Beginning of Year	Plus: Amounts Received	Less: Revenue Recognized	Balance - End of Year
General donations	\$ 5,000	\$ -	\$ 5,000	\$ -
Girls Hostel	1,330	254	1,584	-
Micro-business	3,190	1,245	153	4,282
Sponsorship - Vocational	19,928	50,000	28,319	41,609
Sponsorship - General	9,837	31,067	30,477	10,427
Sponsorship - Directed	2,797	745	3,542	-
Sponsorship - Girl care	4,275	1,680	5,955	-
Sponsorship - Girl impact study	1,047	-	753	294
Learning in Longido	2,528	19,702	18,041	4,189
Fundraising events - Serengeti Challenge	2,750	-	2,750	-
Fundraising events - Village Walk	-	1,675	-	1,675
TEC Grant	-	3,000	-	3,000
	<u>\$ 52,682</u>	<u>\$ 109,368</u>	<u>\$ 96,574</u>	<u>\$ 65,476</u>

5. RESERVE FUND

On August 16, 2016, the Organization's Board of Directors approved the creation of an internally restricted Reserve Fund for the long-term financial stability of the Organization in order to ensure it can meet its financial obligations to its partner organizations. During the fiscal year, the Board of Directors approved a transfer of \$5,000 to the Reserve Fund.

6. RELATED PARTY TRANSACTIONS

TEMBO (Canada) partners with two independent organizations in Tanzania, TEMBO and Learning in Longido (LIL) to carry out the mandate of providing education and empowerment for girls and women in Longido District. There are two members of the TEMBO (Canada's) Board of Directors on both TEMBO and LIL's Board of Directors and seven Tanzanian citizens on the Board of TEMBO and nine Tanzanian citizens on the Board of Directors of LIL. As the Organization exerts significant influence over TEMBO and LIL, the two organizations are related to TEMBO (Canada). TEMBO (Canada) provides funding to both organizations in order to carry out their day to day activities. Both TEMBO and LIL predominantly rely on the funding from the Organization. These transactions were carried out in the normal course of operations and are recorded at the exchange amount.

During the year, members of TEMBO (Canada) Board of Directors made donations totalling \$24,166 (2022 - \$13,491) to donation revenue.

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TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2023

6. RELATED PARTY TRANSACTIONS *(continued)*

In February 2020, a member of TEMBO (Canada) Board of Directors made a donation of shares with a fair value on the date of donation of \$19,879. The transaction was measured at the exchange amount, which was equivalent to the fair market value of the shares as at the date of the donation. As per the stipulations of the donor, 25% of the donation had been recognized as revenue in the year of donation with the deferred contribution to be recognized equally over a three year period. During the current fiscal year a total of \$5,000 (2022 - \$5,000) has been recognized in the statement of operations as general donation revenue.