

**TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)**

**FINANCIAL STATEMENTS**

**APRIL 30, 2022**



## **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) that comprise the statement of financial position as at April 30, 2022 and the statement of operations, statement of changes in net assets and statement of 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, and for such internal controls 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.

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

### *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, 2022 and April 30, 2021 and current assets and net assets as at April 30, 2022 and April 30, 2021. Our conclusion on the financial statements for the year ending April 30, 2021 was modified accordingly.

### *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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*McCay Duff LLP*

McCay Duff LLP,  
Licensed Public Accountants.

Ottawa, Ontario,  
August 22, 2022.

TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2022

UNAUDITED

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 157,727	\$ 139,306
Short-term investments	16,337	16,288
Prepaid expenses	<u>1,530</u>	<u>1,196</u>
	<u>\$ 175,594</u>	<u>\$ 156,790</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 3,148	\$ 2,899
Deferred contribution (note 4)	<u>52,682</u>	<u>43,510</u>
	55,830	46,409
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	104,764	95,381
<b>RESERVE FUND (note 5)</b>	<u>15,000</u>	<u>15,000</u>
	<u>119,764</u>	<u>110,381</u>
	<u>\$ 175,594</u>	<u>\$ 156,790</u>

COVID-19 Implications (note 7)

Approved on behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED APRIL 30, 2022**

**UNAUDITED**

	<u>2022</u>	<u>2021</u>
<b>UNRESTRICTED</b>		
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 95,381	\$ 53,292
Net revenue for the year	<u>9,383</u>	<u>42,089</u>
<b>BALANCE - END OF YEAR</b>	\$ <u>104,764</u>	\$ <u>95,381</u>
 <b>RESERVE FUND</b>		
<b>BALANCE - BEGINNING AND END OF YEAR</b>	\$ <u>15,000</u>	\$ <u>15,000</u>

**TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED APRIL 30, 2022**

**UNAUDITED**

	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>		
Donations		
General	\$ 75,711	\$ 86,565
Sponsorship	65,308	40,867
Informal Education	3,530	7,084
Girls Hostel	276	286
Learning in Longido	10,962	13,328
Micro-Business	145	123
Fundraising events	42,309	52,186
Investment income	<u>142</u>	<u>429</u>
	198,383	200,868
<b>EXPENSES</b>		
Administration	6,106	5,925
Fundraising	2,284	2,704
Grant to Tembo Trust (note 6)	134,583	108,546
Operating Grant to Learning in Longido (note 6)	40,358	36,136
Marketing	664	981
Professional fees	<u>5,005</u>	<u>4,487</u>
	<u>189,000</u>	<u>158,779</u>
<b>NET REVENUE FOR THE YEAR</b>	<u>\$ 9,383</u>	<u>\$ 42,089</u>

**TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED APRIL 30, 2022**

**UNAUDITED**

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Cash from operations		
Net revenue for the year	\$ 9,383	\$ 42,089
Changes in non-cash working capital		
- prepaid expenses	( 334)	( 156)
- accounts payable and accrued liabilities	249	1
- deferred revenue	<u>9,172</u>	<u>19,921</u>
	18,470	61,855
<b>INVESTING ACTIVITIES</b>		
Change in short-term investments	( 49)	( 390)
<b>CHANGE IN CASH POSITION DURING THE YEAR</b>	18,421	61,465
Cash position - beginning of year	<u>139,306</u>	<u>77,841</u>
<b>CASH POSITION - END OF YEAR</b>	<u><u>\$ 157,727</u></u>	<u><u>\$ 139,306</u></u>

# TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2022

UNAUDITED

### 1. 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. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

#### (a) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related restrictions are met. Unrestricted contributions are recognized as revenue when received or receivable, if the amount 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.

#### (b) 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.



**TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)**

**NOTES TO FINANCIAL STATEMENTS**

**APRIL 30, 2022**

**UNAUDITED**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(c) Financial Instruments

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

*Measurement:*

Financial instruments are recorded at fair value on initial recognition.

The Organization subsequently measures all its financial instruments at amortized cost.

*Impairment:*

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.

(d) Volunteer Services

The Organization receives the services of many volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expenditure has been included in these financial statements.

**3. FINANCIAL RISKS AND CONCENTRATION OF RISKS**

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

**TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)**

**NOTES TO FINANCIAL STATEMENTS**

**APRIL 30, 2022**

**UNAUDITED**

**4. DEFERRED CONTRIBUTIONS**

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

	<u>Balance - Beginning of Year</u>	<u>Plus: Amounts Received</u>	<u>Less: Revenue Recognized</u>	<u>Balance - End of Year</u>
General	\$ 10,000	\$ -	\$ 5,000	\$ 5,000
Girls Hostel	1,606	-	276	1,330
Informal Education	2,120	1,410	3,530	-
Micro-business	2,650	685	145	3,190
Sponsorship - Vocational	6,953	43,500	30,525	19,928
Sponsorship - General	6,832	29,600	26,595	9,837
Sponsorship - Directed	1,027	5,500	3,730	2,797
Sponsorship - Girl care	-	7,280	3,005	4,275
Sponsorship - Girl impact study	-	2,500	1,453	1,047
Learning in Longido	3,799	9,691	10,962	2,528
Fundraising events - Serengeti Challenge	<u>8,523</u>	<u>24,043</u>	<u>29,816</u>	<u>2,750</u>
	<u>\$ 43,510</u>	<u>\$ 124,209</u>	<u>\$ 115,037</u>	<u>\$ 52,682</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, there was no activity in the Reserve Fund.

# TANZANIA EDUCATION AND MICRO-BUSINESS OPPORTUNITY (TEMBO)

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2022

UNAUDITED

### 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 \$13,491 (2021 - \$12,694) to donation revenue.

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 (2021 - \$5,000) has been recognized in the statement of operations as general donation revenue.

### 7. COVID-19 IMPLICATIONS

The impact of COVID-19 to the public since its outbreak in mid-March 2020 has been extensive. In response to ongoing health concerns, the Organization has been adhering to government guidelines as they relate to states of emergency, social distancing measures and mandated closures. The Canadian government has continued to implement financial easing policies to mitigate the financial impact on the economy in which the Organization operates, however its effectiveness is yet to be determined. The financial impact on the Organization as a result of COVID-19 is unknown as the potential impact on future operations cannot be determined. No amounts have been recognized in the audited financial statements relating to the potential impact of future events on the Organization as a result of COVID-19.