FINANCIAL STATEMENTS

For

TOSTAN CANADA

For year ended

MAY 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the directors of

TOSTAN CANADA

Qualified Opinion

We have audited the financial statements of Tostan Canada (the Organization), which comprise the statement of financial position as at May 31, 2025, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report,the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at May 31, 2025 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities which includes donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations, assets and net assets for the years ended May 31, 2025 and May 31, 2024.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Welch LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANT

Cornwall, Ontario
December 4, 2025

TOSTAN CANADA
(Incorporated under the laws of Canada)

STATEMENT OF FINANCIAL POSITION

MAY 31, 2025

ASSETS

	2025	2024
CURRENT ASSET		
Cash	**$ 81,769**	**$ 35,350**

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 11,346	$ 4,000
NET ASSETS		
Unrestricted net assets	70,423	31,350
	$ 81,769	**$ 35,350**

Approved on behalf of the Board:

. . . . Director

. . . . Director

(See accompanying notes)

TOSTAN CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED MAY 31, 2025

	2025	2024
Revenue		
Donations	$1,514,395	$1,517,947
Expenditures		
International programs	1,410,000	1,570,000
Professional fees	5,000	3,995
Consulting fees	57,850	5,629
Website, promotional materials and general	2,472	5,111
	1,475,322	1,584,735
Excess (deficiency) of revenue over expenditures	39,073	(66,788)
Net assets, beginning of year	31,350	98,138
Net assets, end of year	**$ 70,423**	**$ 31,350**

(See accompanying notes)

TOSTAN CANADA

STATEMENT OF CASH FLOWS

YEAR ENDED MAY 31, 2025

	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	$ 39,073	$ (66,788)
Changes in non-cash working capital components:		
Accounts payable and accrued liabilities	7,346	2,300
	46,419	(64,488)
INCREASE (DECREASE) IN CASH	46,419	(64,488)
CASH AT BEGINNING OF YEAR	35,350	99,838
CASH AT END OF YEAR	**$ 81,769**	**$ 35,350**

(See accompanying notes)

1. PURPOSE OF THE ORGANIZATION

The Organization is incorporated, without share capital, under the laws of Canada. The corporation is a registered charity and as such is exempt from income tax and may issue income tax receipts to donors. Income generated from investments and future gifts received are to be distributed to qualified donees and for use in qualified activities under the Income Tax Act.

The objects of the Corporation are:

a) To undertake educational programs in Africa and to empower people in African communities to bring about sustainable development and positive social transformation based on respect for human rights;

b) To relieve poverty in Africa by providing support to environmental and economic development activities and by providing micro-lending programs; and

c) To support and strengthen the capacity of charitable organizations in Africa carrying on similar activities.

Tostan is an international affiliation with offices throughout the world and headquarters based in Senegal, West Africa. Tostan assists the Organization by facilitating the coordination, implementation and monitoring of international programs.

2. CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These financial statements are prepared in accordance with Canadian accounting standards for non-for-profit organizations (ASNFPO).

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

a) Revenue recognition

The Organization follows the restricted method of accounting for contributions. Unrestricted contributions are recognized as revenue as part of unrestricted net assets in the year receivable or received if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of restricted net assets according to the appropriate classification in the year receivable or received if the amount received can be reasonably estimated and the collection is reasonably assured.

b) Capital assets

Capital assets are expensed in the year of acquisition.

c) 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 and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES- cont'd

d) Contributed materials and services

The fair value of volunteer services and materials contributed to the organization cannot be reasonably estimated and accordingly are not recorded in the financial statements.

4. FINANCIAL INSTRUMENTS AND CAPITAL

The Organization's financial instruments consist of cash and accounts payable. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency, or credit risks arising from these instruments.

The organization discloses information about its capital and how it is managed. The organization defines capital as its unrestricted net assets and its externally restricted net assets. The organization's objectives with respect to managing capital are to comply with externally imposed restrictions and hold sufficient unrestricted net assets to fund ongoing operations. The organization monitors its capital requirements and objectives through its budgeting process, its financial statements review process and reviews of the terms and conditions contained in its funding agreements. There currently are no external restrictions imposed on these contributions. Management believes that the organization has adhered to all externally imposed restrictions.