

TOSTAN, INC.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Financial year ended on December 31, 2024

Forvis Mazars in Senegal

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Tostan, Inc.

Audit report

Financial year ended on
December 31, 2024

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TOSTAN, INC.

Dakar, March 17, 2025

1. INDEPENDENT AUDITOR REPORT ON THE FINANCIAL STATEMENTS

1.1. Opinion

We have audited the financial statements of Tostan, Inc. which include the statement of financial position as at December 31, 2024 with total asset of 21,903,821 US dollars, the statement of financial activities with a net loss of 1,827,202 US dollars, the statement of change in net assets, the statement of functional expenses, and the cashflow statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, Tostan Inc.'s financial position as of December 31, 2024, and its financial performance and cash flows for the year ended, in accordance with US Generally Accepted Accounting Principles (US GAAP).

1.2. Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibility under those standards is further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are independent of the Institution in accordance with the ethical requirements that are relevant to our audit of the financial statements in Senegal, and we have fulfilled our other ethical responsibilities as required by these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.3. Management's responsibilities regarding the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the US GAAP, and for internal control as management determines it 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 Institution's ability to continue as a going concern, to communicate, as appropriate, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or cease operations or has no realistic alternative but to do so. Management is responsible for overseeing the Institution's financial reporting process.

Tostan, Inc.

Audit report

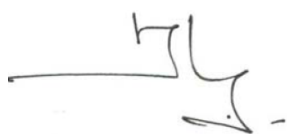
Financial year ended on
December 31, 2024

1.4. Auditor's responsibilities regarding the financial statements audit

Our objective is to obtain reasonable assurance about whether the financial statements 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

Our responsibilities for the audit of the financial statements are described in detail in the appendix to this report.

Forvis Mazars au Sénégal



Hamadou TINI
Associé



Ibra Ndiémé NDIAYE
Associé

APPENDIX: INDEPENDENT AUDITOR'S RESPONSIBILITY

As part of an audit in accordance with International Standards on Auditing, we exercise our professional judgment and maintain professional skepticism throughout this audit. In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and implement audit procedures in response to these risks, and assemble sufficient and appropriate audit evidence to base our opinion. The risk of non-detection of a material misstatement resulting from fraud is higher than the material misstatement resulting from an error, as fraud may involve collusion, forgery, voluntary omissions, false declarations, or alternative solution to internal control.
- We obtain an understanding of internal control relevant to the audit to define audit procedures appropriate to the circumstances, but not to express an opinion on the effectiveness of the Institution's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We 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 Institution's ability to continue as a going concern. If we find a material uncertainty, we are required to draw the attention of the readers of our report to the information provided in the financial statements about this uncertainty or, if such information is inadequate, to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or situations may cause the Institution to cease operation.
- We evaluate the overall presentation, structure, and content of the financial statements, including the information provided in the notes, and assess whether the financial statements reflect the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management, 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.

ANNUAL FINANCIAL STATEMENTS ON DECEMBER 31, 2024

Tostan, Inc.

Audit report

Financial year ended on
December 31, 2024

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

In USD

ASSETS					
Designation	31/12/2024	31/12/2023	Variance	Variance	
Current assets					
Cash and cash equivalents	\$ 3,143,564	\$ 4,196,878	\$ (1,053,314)	(25,10%)	
Grants Receivable	\$ 4,855,935	\$ 6,787,139	\$ (1,931,204)	(28,45%)	
Employee Receivables	\$ 80,115	\$ 65,880	\$ 14,235	21,61%	
Other receivables and advances	\$ 140,613	\$ 43,527	\$ 97,086	223,05%	
Prepaid expenses and Other assets	\$ 64,194	\$ 37,893	\$ 26,301	69,41%	
Total Current Assets	\$ 8 284,421	\$ 11,131,317	\$ (2,846,896)	(25,58%)	
Long-Term Assets					
Investment-Tey ak Suba Fund	\$ 12 961,859	\$ 11,714,349	\$ 1,247,510	10,65%	
Fixed Assets					
Land	\$ 249,064	\$ 249,064	\$ -	0,00%	
Buildings and improvements	\$ 531,262	\$ 475,492	\$ 55,770	11,73%	
Furniture and equipment	\$ 126,152	\$ 248,195	\$ (122,043)	(49,17%)	
Computer equipment and software	\$ 346,160	\$ 364,656	\$ (18,496)	(5,07%)	
Vehicles	\$ 546,389	\$ 631,117	\$ (84,728)	(13,43%)	
Less: Accumulated depreciation and amortization	\$ (1,141,486)	\$ (1,231,587)	\$ 90,101	(7,32%)	
Net Fixed Assets	\$ 657,539	\$ 736 937	\$ (79,398)	(10,77%)	
Total Long-Term Assets	13,619,398	12,451,286	\$ 1,168,112	9,38%	
TOTAL ASSETS	21,903,821	23,582,603	\$ (1,678,782)	(7,12%)	
LIABILITIES AND NET ASSETS					
Current liabilities					
Designation	31/12/2024	31/12/2023	Variance	Variance	
Accounts payable and accrued liabilities	\$ 695,965	\$ 547,544	\$ 148,421	27,11%	
Total Current Liabilities	\$ 695,965	\$ 547,544	\$ 148,421	27,11%	
NET ASSETS					
Without donor restrictions	\$ 17,655,236	\$ 14,579,402	\$ 3,075,834	21,10%	
With donor restrictions	\$ 3,552,622	\$ 8,455,657	\$ (4,903,035)	(57,99%)	
Total net assets	\$ 21,207,856	\$ 23,035,059	\$ (1,827,203)	(7,93%)	
TOTAL LIABILITIES AND NET ASSETS	\$ 21,903,821	\$ 23,582,603	\$ (1,678,782)	(7,12%)	

Tostan, Inc.

Audit report

Financial year ended on
December 31, 2024

**STATEMENT OF FINANCIAL ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED
DECEMBER 31, 2024 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

		31/12/2024		31/12/2023			
SUPPORT AND REVENUE		Without Donor Restrictions	With Donor Restrictions	Total	Total		
Designation				31/12/2024	31/12/2023	Variance	Variance
Grants and contributions		\$ 3,871,282	\$ 3,186,036	\$ 7,057,319	\$ 12,209,010	\$ (5,151,691)	(42,20%)
Program services revenue		\$ 780,173		\$ 780,173	\$ 459,139	\$ 321,034	69,92%
Other revenue							
In-kind contributions							
Interest and investment gain or loss		\$ 1,342,457		\$ 1,342,457	\$ 1,751,511	\$ (409,054)	(23,35%)
<i>Tey ak Suba Fund</i>	\$ 1,247,510	\$ 1,247,510		\$ 1,247,510		\$ 1,247,510	
<i>Certificate of Deposit</i>	\$ 94,933	\$ 94,933		\$ 94,933		\$ 94,933	
<i>Other (IMMA, Merrill Lynch, CGF)</i>		\$ 15		\$ 15		\$ 15	
Total support and revenue		\$ 5,993,913	\$ 3,186,036	\$ 9,179,949	\$ 14,419,660	\$ (5,239,711)	(36,34%)
EXPENSES							
Program Services		\$ 5,273,874	\$ 3,371,821	\$ 8,645,695	\$ 9,111,447	\$ (465,752)	(5,11%)
General and Administrative		\$ 653,496	\$ 280,070	\$ 933,565	\$ 1,112,104	\$ (178,539)	(16,05%)
Fundraising		\$ 1,477,967	\$ -	\$ 1,477,967	\$ 1,333,744	\$ 144,223	10,81%
Total supporting services		\$ 2,131,463	\$ 280,070	\$ 2,411,533	\$ 2,445,848	\$ (34,315)	(1,40%)
Total expenses		\$ 7,405,337	\$ 3,651,891	\$ 11,057,228	\$ 11,557,295	\$ (500,067)	(4,33%)
Change in net assets before other item		\$ (1,411,424)	\$ (465,855)	\$ (1,877,279)	\$ 2,862,365	\$ (4,739,644)	(165,58%)
OTHER ITEM							
Realized Gain / loss							
Unrealized Foreign exchange (loss) gain		\$ 50,052		\$ 50,052		\$ 50,052	
Change in net assets		\$ 3,075,834	\$ (4,903,035)	\$ (1,827,202)	\$ 3,043,033	\$ (4,870,235)	(160,05%)
Net assets at beginning of year		\$ 14,579,402	\$ 8,455,657	\$ 23,035,059	\$ 19,992,026	\$ 3,043,033	15,22%
NET ASSETS AT END OF PERIOD		\$ 17,655,236	\$ 3,552,622	\$ 21,207,857	\$ 23,035,059	\$ (1,827,202)	(7,93%)

Tostan, Inc.

Audit report

Financial year ended on
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**STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024 WITH
SUMMARIZED FINANCIAL INFORMATION FOR 2023**

31/12/2024					31/12/2023				
Supporting Services									
Designation	Program	General	Fundraising	Total	Total	Total	Variance	%	
Salaries and related benefits	\$ 4,547,679	\$ 428,072	\$ 730,874	\$ 1,158,946	\$ 5,706,625	\$ 5,959,898	\$ (253,273)	(4,25%)	
Contract services	\$ 930,075	\$ 237,038	\$ 576,329	\$ 813,367	\$ 1,743,442	\$ 1,784,710	\$ (41,268)	(2,31%)	
Grants and other assistance	\$ 135,199	\$ 1,417	\$ 2,703	\$ 4,120	\$ 139,319	\$ 146,608	\$ (7,289)	(4,97%)	
Program training costs	\$ 2,178,309	\$ 175,937	\$ 31,048	\$ 206,984	\$ 2,385,293	\$ 2,534,289	\$ (148,996)	(5,88%)	
Supplies	\$ 101,992	\$ 25,788	\$ 12,409	\$ 38,197	\$ 140,189	\$ 148,656	\$ (8,467)	(5,70%)	
Facilities and equipment	\$ 421,729	\$ 19,462	\$ 37,131	\$ 56,593	\$ 478,323	\$ 501,113	\$ (22,790)	(4,55%)	
Travel and meetings	\$ 330,712	\$ 45,851	\$ 87,473	\$ 133,324	\$ 464,037	\$ 482,021	\$ (17,984)	(3,73%)	
TOTAL	\$ 8,645,695	\$ 933,565	\$ 1,477,967	\$ 2,411,533	\$ 11,057,228	\$ 11,557,295	\$ (500,067)	(4,33%)	

Tostan, Inc.

Audit report

Financial year ended on
December 31, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

CASH FLOWS FROM OPERATING ACTIVITIES	31/12/2024	31/12/2023
Change in net assets	\$ 1,827,202	\$ 3,043,033
Adjustments to reconcile change in net assets to net cash	-	-
Depreciation and amortization	\$ 126,180.78	\$ 147,610
Unrealized gain on investments	\$ (1,247,509.74)	\$ (1,642,171)
Realized loss on sales of investments	\$ 94,933	\$ 33,513
Receipt of donated investments	-	-
Proceeds from sales of donated investments	-	-
Gain on sale of property and equipment	-	\$ (182,805)
Change in discount on noncurrent grants receivable	-	\$ 90,226
(Increase) decrease in:	-	-
Grants receivable	\$ (1,931,204)	\$ (6,303,001)
Employee receivables	\$ 14,235	\$ (9,170)
Accounts receivable	\$ 97,086	\$ 185,160
Prepaid expenses and other assets	\$ 26,301	\$ 282,477
(Decrease) increase in:	-	-
Accounts payable and accrued liabilities	\$ 148,421	\$ (127,396)
Net cash used by operating activities	\$ (844,356)	\$ (4,482,524)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
Purchase of property and equipment	\$ 55,770	\$ (63,554)
Proceeds from sale of property and equipment	\$ (225,268)	\$ 195,112
Purchases of investments	\$ (39,460)	\$ (18,940)
Net cash provided (used) by investing activities	\$ (208,958)	\$ 112,618
Net decrease in cash and cash equivalents	\$ (1,053,314)	\$ (4,369,906)
Effect of foreign currency exchange fluctuations	-	-
on property and equipment revaluation	-	\$ (19,833)
Cash and cash equivalents at beginning of year	\$ 4,196,878	\$ 8,586,617
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,143,564	\$ 4,196,878

2. REQUIRED INFORMATION

2.1. Organization

Tostan, Inc. is a U.S.-based non-governmental organization incorporated in the state of Delaware, with its headquarters located in Senegal, West Africa. Its mission is to empower African communities to lead sustainable development and achieve positive social transformation grounded in the respect for human rights.

Tostan provides holistic, participatory education to adults and adolescents in remote areas without access to formal schooling. Drawing on the knowledge and input of local communities, founder Molly Melching, together with a team of Senegalese cultural specialists, developed an innovative model called the Community Empowerment Program (CEP). This 36-month program includes modules on human rights, hygiene and

health, literacy, and project management. It is delivered in local languages and uses traditional learning methods, ensuring that the content is accessible and culturally relevant.

By respectfully engaging communities and enabling them to take ownership of their development process, the CEP fosters both individual and collective well-being. It also incorporates community-led outreach strategies that engage participants not only within their own villages but also across neighboring communities.

For more than 30 years, Tostan's inclusive education has brought sustainable change to thousands of African communities.

2.2. Program services

2.2.1. Community Empowerment Program (CEP)

Tostan's flagship Community Empowerment Program (CEP) is a holistic, human rights-based education program that empowers individuals and communities to create sustainable development from within. The CEP is delivered in local languages and focuses on key areas such as human rights, democracy, health, hygiene, problem-solving, and project management. The program is divided into multiple modules, including Kobi 1 and Kobi 2, which focus on foundational skills and life lessons, and Aawde, which focuses on practical skills for income generation and economic development. Through the CEP, participants — particularly women and girls — are equipped with the knowledge and skills to drive positive social change, leading to community-wide improvements in areas such as governance, health, and education.

a) Empowering Communities through Literacy and Numeracy

As part of Tostan's commitment to lifelong learning, the Empowering Communities through Literacy and Numeracy program focuses on enhancing the functional literacy and numeracy skills of adults in rural communities. This program is integrated into the CEP and provides participants, especially women, with the tools to engage in decision-making processes, manage community projects, and contribute to local development efforts. Literacy and numeracy classes also empower women economically by enabling them to manage their own finances and businesses more effectively.

b) Health and Hygiene Education

Tostan's Health and Hygiene Education program is a key component of the CEP and focuses on improving public health outcomes through education on hygiene, sanitation, reproductive health, and disease prevention. By promoting health practices such as handwashing, proper sanitation, and maternal health care, Tostan empowers communities to prevent diseases and improve overall health standards. This program also incorporates topics like family planning, maternal and child health, and the prevention of infectious diseases, ensuring that communities have the knowledge and skills necessary to maintain good health.

c) Reinforcement of Parental Practices (RPP) Program

The Reinforcement of Parental Practices (RPP) program is designed to strengthen the capacities of parents, caregivers, and communities to foster early childhood development and provide holistic care for young children. The program educates parents on child rights, early childhood development, nutrition, health, and positive parenting techniques. By focusing on the critical early years of a child's life, RPP aims to promote better cognitive, social, and emotional development, ultimately leading to improved educational outcomes and a reduction in violence against children.

2.2.2. Peace and Security (P&S) Program

Tostan's P&S Program aims to strengthen conflict resolution and peacebuilding capacities within communities. This program trains Community Management Committee (CMC) members and local leaders in mediation techniques, decentralization, and project management, with a particular focus on addressing local conflicts and security concerns. Through community dialogues, inter-village meetings, and awareness campaigns, the program fosters peaceful coexistence, enhances social cohesion, and encourages communities to take an active role in maintaining peace and security.

2.2.3. Social Mobilization Activities

Through its Social Mobilization and Behavior Change Communication efforts, Tostan empowers communities to lead grassroots movements advocating for the abandonment of harmful practices such as Female Genital Cutting (FGC), child marriage, and Gender-Based Violence (GBV). These initiatives are often supported by radio programs, public declarations, and inter-village meetings, where communities engage in open dialogue about human rights and the health impacts of harmful practices. The program leverages the influence of local leaders, religious figures, and youth groups to change behavior and create a culture of respect for human rights, particularly those of women and children.

2.2.4. Income-Generating Activities (IGA) and Economic Empowerment

To complement the educational components of its programs, Tostan offers Income-Generating Activities (IGA) training as part of its efforts to promote economic empowerment, particularly for women. Participants are trained in vocational skills such as sewing, soap-making, agriculture, and other small businesses that provide them with opportunities to generate income and support their families. The program also includes training in financial literacy and management, enabling participants to save, invest, and improve their economic standing within their communities.

2.2.5. Prison Education Program

The Prison Education Program extends Tostan's human rights-based education model to incarcerated individuals. This program provides prisoners with access to the CEP, focusing on human rights, peace and security, conflict resolution, and literacy skills. The program also includes vocational training aimed at

providing inmates with the tools they need to reintegrate into society upon their release. By empowering prisoners with education and skills, Tostan helps to reduce recidivism and promote positive social reintegration.

2.2.6. Strengthening Democracy and Civic Engagement

Tostan's Strengthening Democracy and Civic Engagement (SDCE) initiative is designed to empower communities with the knowledge, skills, and tools needed to actively participate in democratic processes and promote sustainable development. By fostering civic responsibility and governance practices, the SDCE program supports community members in becoming more engaged citizens who can effectively contribute to the decision-making processes that impact their lives.

Through these comprehensive programs, Tostan seeks to create lasting, sustainable change by empowering communities to take charge of their development and foster environments of human rights, dignity, and economic opportunity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Tostan is an internationally recognized non-profit organization operating under U.S. law and subject to U.S. GAAP accounting standards. Its financial statements include the statement of financial position, changes in net assets, financial activities, and cash flows. Tostan uses QuickBooks for its accounting system, with modules for supplier payments, invoice recording, miscellaneous operations, bank reconciliation, and reporting, which generate key financial documents.

The revenues and expenses are recorded in U.S. dollars for financial reporting purposes.

● **Basis of presentation**

The accompanying financial statements are presented on an accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are detailed as follows:

- **Net Assets without Donor Restrictions** – These are net assets for general operations, not limited by donor-imposed restrictions. Board-designated net assets, set aside only by Board action, are reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - These net assets are limited by temporary or permanent donor-imposed stipulations. Temporary restrictions end when conditions are met, such as time passing or specific purposes being fulfilled. Some restrictions require funds to be maintained permanently. Gifts for acquiring long-term assets are recognized as revenue without donor restrictions once the assets are in service.

- **New accounting standard adopted**

Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

3.1. Cash and cash equivalents

Tostan considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, Tostan maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Additionally, Tostan maintained \$3,143,564 of cash on hand and in banks in several countries within Africa; all such funds are not insured. Management believes the risk in these situations to be minimal.

3.2. Investments

Investments are recorded at their readily determined fair value. Realized and unrealized gains and losses are included in "Net investment return", which is presented net of investment expenses (paid to external investment advisors) in the accompanying Statement of Activities and Change in Net Assets. Investments acquired by gift are recorded at their fair value at the date of the gift. Tostan's policy is to liquidate all gifts of investments as soon as possible after the gift.

3.3. Receivables

Accounts receivable primarily consist of amounts due within one year related to program services revenue. Accounts receivables are recorded at their net realizable value, which approximates fair value. All receivables are considered by management to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Grants receivables include unconditional promises to give that are expected to be collected in future years. Grants receivables are recorded at their fair value, which is measured as the present value of the future cash flow. The discount on long-term grants receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions.

3.4. Property, plant, and equipment and intangible assets

Furniture, equipment, and vehicle purchases in excess of \$5,000 are capitalized and stated at cost. Furniture, equipment, and vehicles are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. Land that is purchased with undesignated funds is capitalized at original acquisition value and is not amortized. Buildings (and improvements that are fixed and enhance the value of the building) are capitalized and amortized over 20 years. Depreciation and amortization expenses totaled \$126,181 for the year ended December 31, 2024.

3.5. Income taxes

Tostan is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. Tostan is not a private foundation.

3.6. Support from grants and contributions

Grants and contributions are recognized in the appropriate category of net assets in the period received. Tostan performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions, are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either more than expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, Tostan had no refundable advances as of December 31, 2024.

3.7. Revenue from contracts with customers

Tostan's program service fees are the most significant revenue stream that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. Tostan has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on educational content received, usage of space, meals/lodging and other incidentals. Amounts received in advance of satisfying performance obligations are

recorded as deferred revenue. Tostan's contracts with customers generally have initial terms of one year or less.

3.8. Use of estimates

The preparation of 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

3.9. Sales figures

Tostan Training Center sales (TTC) are essentially made up of accommodation (overnight stays), catering (food and beverages), and meeting room rentals. Sales are recognized when the service is rendered.

3.10. Foreign currency translation

Tostan's overseas assets and liabilities are reported in the Statement of Financial Position, translated into U.S. Dollars at the year-end spot rate. Revenues and expenses from international offices appear in the Statement of Activities and Change in Net Assets, converted using the average annual exchange rate. Exchange rate variances on revalued assets and liabilities are reported as currency gains or losses in the Statement of Activities and Change in Net Assets.

3.11. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Tostan are reported as direct expenses to the programmatic area, and those expenses that benefit more than one function are allocated on the basis of estimated time and effort or other reasonable basis.

3.12. Investment risk and uncertainties

Tostan invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

4. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

The financial statements of Tostan, Inc. have been prepared for the year from January 1 to December 31, 2024, and are presented in US dollars unless otherwise indicated.

The explanatory notes are an integral part of the annual financial statements and are presented below:

4.1. Cash and cash equivalents

Tostan's cash and cash equivalents are detailed below:

In USD

Designation	31/12/2024
Current assets	
Cash and cash equivalents	3,143,564
Grants Receivable	4,855,935
Employee Receivables	80,115
Other receivables and advances	140,613
Prepaid expenses and Other assets	64,194
Total Current Assets	8,284,421

The decrease in cash and cash equivalents, amounting to 1,053,314 USD as of December 31, 2024, is explained by the combined effect of several movements across Tostan's bank accounts.

The Citi Bank account for the Community Empowerment Program (CEP) closed at USD 1,007,116, down USD 1,043,681 from last year due to the program's completion. There was an increase of USD 1,016,063, mainly from transferring USD 1,000,000 to the Insured Money Market Account to earn interest. A decrease of USD 107,807 followed the end of a Sweden-funded project, and a USD 53,059 increase reflected a transfer to cover general operating expenses.

The Tostan Guinea-Bissau account fell by USD 113,890, mainly from staff salary payments. The Merrill Lynch account rose by USD 533,536, largely due to a USD 500,000 donation in December 2024.

4.2. Grant Receivables

Grant Receivables as of December 31, 2024, are listed below:

In USD

Designation	31/12/2024
1331001 - 1331000 - Grants Receivable US	218,548
1331000 - 1331000 - Grants Receivable	4,637,387
TOTAL	4,855,935

The decrease in grants receivable, amounting to USD 1,931,204, is mainly due to a reduction of USD 2,149,752 in Grants Receivable between the two fiscal years, resulting from the completion of certain projects during the 2024 fiscal year, especially the Tostan Deutschland: Ziele GmbH, Imago Dei, and Global Affairs

Canada (GAC) programs. The account balance, which amounts to USD 4,855,935 as of December 31, 2024, represents the remaining grants to be collected as of that date.

Tostan reported donor commitments, with \$1,608,937 outstanding as of December 31, 2024. Amounts expected to be collected more than one year after the Statement of Financial Position date are recorded at the net present value of estimated cash flows, applying a discount rate of 3.00%.

Payments are expected to be collected as follows:

Designation	31/12/2024
Less than one year	3,317,959
One to five years	1,608,937
Total	4,926,896
Less: Present value discount (noncurrent receivables)	(70,961)
GRANTS RECEIVABLE, NET	4,855,935

4.3. Other receivables and advances

The Other receivables and advances evolved as follows as of December 31, 2024:

In USD

Designation	31/12/2024
1300000 · 1300000 – Receivables	59,570
1340000 · 1340000 - Other Receivables	65,063
1530000 · 1530000 - Nontrade Receivables	2,418
11000 · Accounts Receivable - XOF	13,071
1800000 · 1800000 - Provision Debit Rate	491
12000 · Undeposited Funds	-
TOTAL	140,613

This account predominantly comprises other receivables and advances. The overall increase of USD 97,086 is primarily due to higher receivables associated with the Grow AMFE program, which totaled USD 59,571. Included within this amount is a provision for a grant receivable from the Marcelle and Jean Coutu Foundation, totaling USD 50,988. Furthermore, there was an increase of USD 65,063 related to advances provided to staff during the year-end holiday period. These amounts constitute the organization's total other receivables as of December 31, 2024.

4.4. Investment-Tey ak Suba Fund

The Tey ak Suba Fund investments changed as follows as of December 31, 2024:

In USD

Designation	31/12/2024
1700000 · 1700000 - Intangible Assets	12,961,859
TOTAL	12,961,859

This account reflects a USD 10,000,000 deposit into an investment account managed by Commonfund in 2023. The principal is non-recoverable but accrues interest indefinitely, with withdrawals permitted under specific conditions set out in an Investment Policy Statement. The USD 1,247,510 increase between fiscal years represents the interest earned.

4.5. Furniture and equipment

The furniture and equipment account changed as follows as of December 31, 2024:

In USD	
Designation	31/12/2024
1630000 · 1630000 - Machinery and Equipment	32,512
1632000 · 1632000 - Computer Hardware	-
1640000 · 1640000 - Furniture and Fixture	93,640
TOTAL	126,152

The reduction in this account, amounting to USD 122,043, is primarily attributable to the derecognition of fixed assets from the coordination center in Guinea Conakry. These assets consist mainly of furniture and fixtures. The most substantial decrease—USD 102,759—results from the transfer of assets associated with this center, following its reorganization as an independent entity under the name CEGUIFED. Consequently, these assets have been excluded from Tostan Inc.'s balance sheet.

This overall decline is partially offset by an increase of USD 10,232, reflecting the acquisition of equipment for the server room, which includes a fire safety system valued at USD 9,677.42.

4.6. Vehicles

The vehicles are presented as follows as of December 31, 2024:

In USD	
Designation	31/12/2024
1631000 · 1631000 –Vehicles	546,389
TOTAL	546,389

This account relates to the acquisition of vehicles used for the organization's operations. The decrease of USD 84,728 is due to the removal of vehicle assets associated with the Guinea Conakry coordination center, following its transformation into an independent entity now operating under the name CEGUIFED. As a result, these vehicles were derecognized from Tostan Inc.'s books, contributing to the overall reduction in the net value of property and equipment as of December 31, 2024.

4.7. Accumulated depreciation and amortization

The accumulated depreciation and amortization are presented as follows as of December 31, 2024:

In USD

Designation	31/12/2024
1692000 · 1692000 - Depr buildings	(319,196)
1693000 · 1693000 - Depr Machinery & Equipment	(439,017)
1694000 · 1694000 - Depr Furniture	(39,079)
1697000 · 1697000 - Depr Other Property	(344,194)
TOTAL	(1,141,486)

As of December 31, 2024, the decrease of USD 90,101 is primarily attributable to a reduction in depreciation expenses related to machinery and equipment, amounting to USD 33,768. This decrease stems from the derecognition of assets belonging to the Guinea Conakry coordination center, following its transformation into an independent entity under the name CEGUIFED, and their removal from Tostan Inc.'s books.

However, this decrease was partially offset by an increase of USD 33,772, corresponding to the depreciation charge for the 2024 fiscal year related to the assets of the Tostan Training Center coordination.

4.8. Accounts payables and accrued liabilities

The changes in other accounts payable and accrued liabilities are summarized in the table below:

In USD

Designation	31/12/2024
20000 · Accounts Payable - XOF	(136,271)
20001 · Accounts Payable - GMD	(12,842)
2110000 · 2110000 - Trade Payable	(181,084)
2140000 · 2140000 - Other Payables	(80,989)
2350000 · 2350000 - Intercompany Debts	(369)
2410000 · 2410000 - Net to be paid on salary	(12,648)
2420000 · 2420000 - Other debt / Prov/Sal	(69,785)
2450000 · 2450000 - Income Taxes	(75,404)
2460000 · 2460000 - Provisions	(61,666)
2480000 · 2480000 - Deferred Tax Credit	33,500
2491000 · 2491000 - Non-Tax Institutions	(62,209)
2492000 · 2492000 - Internal organization	(32,636)
2500000 · 2500000 - Other Liabilities	(3,562)
TOTAL	(695,965)

As of December 31, 2024, other liabilities recorded an increase of USD 148,421. This increase is the result of a combination of several factors:

- Account Payables, primarily comprising amounts due to suppliers, reflect a balance of USD 136,271. This figure is mainly attributable to an outstanding payment to AfricSearch, for which no settlement occurred during the fiscal year. The account records a reduction of USD 48,946, explained by the settlement of obligations to other suppliers over the same period.
- Trade Payables increased by USD 103,925, largely resulting from a contract signed in December 2024 with the service provider Sage Intacct, totalling USD 114,117.09. As of the close of the fiscal year, this

amount remained unpaid. Nonetheless, payments to various other suppliers were executed during the reporting period.

- Advances paid to Tostan staff for the end-of-year holidays also contributed to the increase in these items, amounting to USD 80,989.
- Provisions for employee leave entitlements rose by USD 54,279 due to higher salaries at the Guinea-Bissau center as of December 31, 2024.

This overall increase was partially offset by a decrease in social security and tax liabilities amounting to USD 41,011 between the two fiscal years, mainly due to the removal of the Guinea Conakry coordination office from Tostan Inc.'s books and the settlement of outstanding contributions to IPRES and the Social Security Fund from previous years.

4.9. Net assets

The net assets are presented as follows as of December 31, 2024:

In USD	
Designation	31/12/2024
Without donor restrictions	17,655,234
With donor restrictions	3,552,622
TOTAL	21,207,856

The decrease in this balance is attributable to a reduction in retained earnings of USD 1,827,202 corresponding to the net deficit recorded for the current fiscal year. This has consequently reduced the cumulative retained earnings balance carried forward from prior periods.

4.10. Interest and investment gain or loss

Tostan Inc.'s financial income at December 31, 2024, was as follows:

In USD	
Designation	31/12/2024
6600000 - 6600000 - Interest fond Téry ak Suba	1,247,510
6100000 - 6100000 - Interest Income	94,932
6500000 - 6500000 - Interest CGF	15
TOTAL	1,342,457

Financial income rose to USD 1,342,457, mainly from interest on a USD 10,000,000 investment fund. The increase reflects favorable market rates. Interest is automatically reinvested, and access to these funds is restricted by Board-approved conditions.

Tostan, Inc.

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Financial year ended on
December 31, 2024

4.11. Program Services

The changes in program services expenses on December 31, 2024, were as follows:

In USD

Designation	31/12/2024
Salaries and related benefits	4,547,679
Contract services	930,075
Grants and other assistance	135,199
Program training costs	2,178,309
Supplies	101,992
Facilities and equipment	421,729
Travel and meetings	330,712
TOTAL	8,645,695

Program services decreased by USD 465,762, reflecting the completion of the PRCC cycle and the resulting reduction in related expenses

4.12. General and Administrative

The changes in General and Administrative expenses on December 31, 2024, were as follows:

In USD

Designation	31/12/2024
Salaries and related benefits	428,072
Contract services	237,038
Grants and other assistance	1,417
Program training costs	175,937
Supplies	25,788
Facilities and equipment	19,462
Travel and meetings	45,851
TOTAL	933,565

General and administrative expenses decreased by USD 178,539 between the two fiscal years, reflecting Tostan's continued efforts to enhance operational efficiency and reduce the core operating expenses. This reduction is a direct result of more strategic resource management, streamlined processes, and a disciplined approach to overhead spending.

4.13. Net assets

Tostan Inc.'s results for the year to December 31, 2024, are as follows:

In USD

Designation	31/12/2024
Change in net assets	(1,827,202)
Net assets at the beginning of the year	23,035,059
TOTAL	21,207,857

Tostan, Inc.

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*Financial year ended on
December 31, 2024*

The loss for the year ended December 31, 2024, amounted to USD 1,827,202. This loss was recognized by the company and deducted from retained earnings by reducing the reserves accumulated in previous years, thereby lowering the level of retained earnings.