

The Tanzanian Children's Fund, Inc.

Financial Statements
and
Independent Auditors' Report

December 31, 2022 and 2021



DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
The Tanzanian Children's Fund, Inc.
Cambridge, Massachusetts

Opinion

We have audited the accompanying financial statements of The Tanzanian Children's Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 The Tanzanian Children's Fund, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Tanzanian Children's Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Correction of an Error

As discussed in Note 12 to the financial statements, The Tanzanian Children's Fund, Inc. restated certain prior year amounts for the correction of an error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 The Tanzanian Children's Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 The Tanzanian Children's Fund, 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 Tanzanian Children's Fund, Inc.'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.

Daniel Dennis & Company LLP

October 25, 2023

The Tanzanian Children's Fund, Inc.
Statements of Financial Position
December 31, 2022 and 2021

<i>Assets</i>		
	<i>2022</i>	<i>As Restated 2021</i>
<i>Current Assets</i>		
Cash and cash equivalents	\$ 1,849,738	\$ 1,866,634
Accounts receivable	350,190	140,717
Investments	6,043,995	6,949,051
Promises to give	242,400	25,000
Prepaid expenses	3,500	2,400
Total current assets	8,489,823	8,983,802
<i>Other Assets</i>		
Restricted investments	28,585	37,599
Investments	52,761	-
Promises to give, net of current and discount	596,901	75,000
Security deposits	9,500	8,400
Total other assets	687,747	120,999
Total assets	\$ 9,177,570	\$ 9,104,801
<i>Liabilities and Net Assets</i>		
<i>Current Liabilities</i>		
Accounts payable and accrued expenses	\$ 5,769	\$ 49,123
Total liabilities	5,769	49,123
<i>Net Assets</i>		
Without donor restrictions	7,070,566	8,031,613
With donor restrictions	2,101,235	1,024,065
Total net assets	9,171,801	9,055,678
Total liabilities and net assets	\$ 9,177,570	\$ 9,104,801

See accompanying notes to the financial statements.

The Tanzanian Children's Fund, Inc.
Statements of Activities
For the Years Ended December 31, 2022 and 2021

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>2022 Total</i>	<i>As Restated</i>		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>2022 Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>2021 Total</i>
<i>Operating Revenue and Support</i>						
Contributions and grants	\$ 1,762,857	\$ 2,001,688	\$ 3,764,545	\$ 2,292,655	\$ 1,258,629	\$ 3,551,284
Program service	21,486	-	21,486	10,216	-	10,216
Dividends and interest income	96,597	-	96,597	91,993	-	91,993
Unrealized gains (losses) on investments	(648,523)	-	(648,523)	458,473	-	458,473
Realized gains (losses) on investments	(577,437)	(5,012)	(582,449)	356,624	7,338	363,962
Net assets released from restrictions	919,506	(919,506)	-	385,359	(385,359)	-
Other income	16	-	16	-	-	-
Total revenue and support	<u>1,574,502</u>	<u>1,077,170</u>	<u>2,651,672</u>	<u>3,595,320</u>	<u>880,608</u>	<u>4,475,928</u>
<i>Operating Expenses</i>						
Program services	2,130,623	-	2,130,623	2,006,278	-	2,006,278
Management and general	242,021	-	242,021	177,641	-	177,641
Fundraising	162,905	-	162,905	153,340	-	153,340
Total expenses	<u>2,535,549</u>	<u>-</u>	<u>2,535,549</u>	<u>2,337,259</u>	<u>-</u>	<u>2,337,259</u>
Change in net assets from operations	<u>(961,047)</u>	<u>1,077,170</u>	<u>116,123</u>	<u>1,258,061</u>	<u>880,608</u>	<u>2,138,669</u>
<i>Non-Operating Activities</i>						
Debt forgiveness income	-	-	-	50,271	-	50,271
Change in net assets	<u>(961,047)</u>	<u>1,077,170</u>	<u>116,123</u>	<u>1,308,332</u>	<u>880,608</u>	<u>2,188,940</u>
Net assets at beginning of the period	8,031,613	1,024,065	9,055,678	6,723,281	143,457	6,866,738
Net assets at end of the period	<u>\$ 7,070,566</u>	<u>\$ 2,101,235</u>	<u>\$ 9,171,801</u>	<u>\$ 8,031,613</u>	<u>\$ 1,024,065</u>	<u>\$ 9,055,678</u>

See accompanying notes to the financial statements.

The Tanzanian Children's Fund, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	<i>Program</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>2022 Total</i>
Salaries and related expenses	\$ 86,810	\$ 135,493	\$ 99,867	\$ 322,170
Professional fees	-	23,530	-	23,530
Office expenses	-	17,768	23,889	41,657
Subcontractors	167,228	-	-	167,228
Dues and fees	-	3,241	13,782	17,023
Contributions	1,839,128	-	-	1,839,128
Miscellaneous	-	1,427	-	1,427
Supplies	19,377	150	-	19,527
Travel	15,508	-	25,367	40,875
Insurance	-	7,568	-	7,568
Occupancy	-	48,018	-	48,018
Recruiting and training	2,572	4,826	-	7,398
	<u>\$ 2,130,623</u>	<u>\$ 242,021</u>	<u>\$ 162,905</u>	<u>\$ 2,535,549</u>

See accompanying notes to the financial statements.

The Tanzanian Children's Fund, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2021

	<i>Program</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>2021 Total</i>
Salaries and related expenses	\$ 120,269	\$ 118,454	\$ 102,310	\$ 341,033
Professional fees	-	19,827	-	19,827
Office expenses	-	10,631	15,640	26,271
Subcontractors	127,419	-	-	127,419
Dues and fees	7,378	-	15,587	22,965
Contributions	1,724,483	-	-	1,724,483
Miscellaneous	-	-	7,051	7,051
Supplies	13,097	-	-	13,097
Travel	11,762	-	12,752	24,514
Insurance	-	7,618	-	7,618
Occupancy	-	19,936	-	19,936
Recruiting and training	1,870	1,175	-	3,045
	<u>2,006,278</u>	<u>177,641</u>	<u>153,340</u>	<u>2,337,259</u>
Total operating expenses	<u>\$ 2,006,278</u>	<u>\$ 177,641</u>	<u>\$ 153,340</u>	<u>\$ 2,337,259</u>

See accompanying notes to the financial statements

The Tanzanian Children's Fund, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	<i>2022</i>	<i>As Restated 2021</i>
<i>Cash Flows from Operating Activities</i>		
Change in net assets	\$ 116,123	\$ 2,188,940
<i>Adjustments to reconcile changes in net assets to net cash provided by operating activities</i>		
Realized and unrealized gains on investments provided by operating activities:	1,230,972	(822,435)
Discount	60,299	-
Debt forgiveness income	-	(50,271)
<i>Change in operating assets and liabilities:</i>		
Increase in accounts receivable	(209,473)	(140,717)
Increase in promises to give	(799,600)	(100,000)
Increase in prepaid expenses	(1,100)	(1,586)
Increase in security deposit	(1,100)	-
Decrease in accounts payable and accrued expenses	<u>(43,354)</u>	<u>37,679</u>
Net cash provided by operating activities	<u>352,767</u>	<u>1,111,610</u>
<i>Cash Flows from Investing Activities</i>		
Proceeds from sale of investments	733,618	85,763
Purchase of investments	<u>(1,102,181)</u>	<u>(971,468)</u>
Net cash used in investing activities	<u>(368,563)</u>	<u>(885,705)</u>
<i>Cash Flows from Financing Activities - None</i>		
Net change in cash and restricted cash	<u>(15,796)</u>	<u>225,905</u>
Cash and restricted cash, beginning of year	1,875,034	1,649,129
Cash and restricted, end of year	<u>\$ 1,859,238</u>	<u>\$ 1,875,034</u>
Reconciliation of cash and restricted cash:		
Cash	\$ 1,849,738	\$ 1,866,634
Security deposits	<u>9,500</u>	<u>8,400</u>
Total cash and restricted cash	<u>\$ 1,859,238</u>	<u>\$ 1,875,034</u>

See accompanying notes to the financial statements.

The Tanzanian Children's Fund, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

1. *Organization*

The Tanzanian Children's Fund, Inc. (TCF) is a not-for-profit organization organized in March 2003, under the laws of the Commonwealth of Massachusetts for the purpose of establishing aid to the orphaned and marginalized children of Tanzania. TCF will provide support for the Rift Valley Children's Village, an orphanage in the Karatu district of Tanzania and other related community based programs that improve the lives of children and families in Tanzania.

2. *Summary of Significant Accounting Policies*

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

TCF considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents as of December 31, 2022 and 2021.

Furniture, Equipment, and Depreciation

Furniture and equipment are recorded at cost less accumulated depreciation. TCF capitalizes all purchases of furniture and equipment with a cost or fair value of over \$1,000. Donated property and equipment are recorded at fair value at the time of donation.

Investments

Investments in marketable securities are recorded at fair value with unrealized gains and losses reported in the change in net assets for the year. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Realized gains and losses are included in the changes in net assets for the year. Realized gains and losses are accounted for on the specific identification method. Purchases and sales are recorded on a trade date basis. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

Fair Value Measurements

GAAP requires using a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The Tanzanian Children's Fund, Inc.
Notes to Financial Statements - *continued*
December 31, 2022 and 2021

2. *Summary of Significant Accounting Policies – continued*

Fair Value Measurements – continued

The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that TCF has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The availability of observable market data is monitored to assess the appropriate classification of investments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended December 31, 2022 and 2021, there were no transfers in or out of levels 1, 2, or 3.

Accounts Receivable

Accounts receivable are presented net of the allowance for doubtful accounts. The allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At December 31, 2022 and 2021, no allowance for doubtful accounts had been recorded, as management considers accounts receivable to be fully collectable.

The Tanzanian Children's Fund, Inc.
Notes to Financial Statements - *continued*
December 31, 2022 and 2021

2. *Summary of Significant Accounting Policies – continued*

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. The allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2022 and 2021, no allowance for doubtful accounts had been recorded, as management considers promises to give to be fully collectable.

Contributions, Gifts and Grants

Contributions of cash and other assets are reported as increases to net assets with 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 donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions received where related restrictions are met in the same reporting period are classified as contributions with donor restrictions and net assets released from restriction. Board and external source designated funds are recorded as such in net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and when the promises become unconditional.

Revenue Recognition

TCF recognizes revenue from sponsorships upon the receipt of the sponsorship. Amounts received prior to the occurrence of the sponsorship recorded as deferred revenue on the statement of financial position.

Classification of Net Assets

Net assets are classified into two categories based on the existence or absence of donor imposed restrictions as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of TCF. The Board of Directors has discretionary control over all of these assets and may elect to designate such resources for specific purposes. This designation may be removed at the board's direction.

The Tanzanian Children's Fund, Inc.
Notes to Financial Statements - *continued*
December 31, 2022 and 2021

2. *Summary of Significant Accounting Policies – continued*

Classification of Net Assets – continued

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of TCF or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Functional Expenses

Functional expenses are allocated to the various programs based on direct expenses which can be identified to the program and indirect expenses which are beneficial to more than one program. Indirect expenses are allocated based on various methods including time studies, square footage, etc. Administrative expenses are allocated to the program based on direct salary and fringe benefits within the program.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Income Taxes

TCF is exempt from income taxes as a non-profit corporation under Section 501(c)(3) of the U.S. Internal Revenue Code and is also exempt from state income taxes, except for income taxes on unrelated business income, if any. For the years ended December 31, 2022 and 2021, TCF had no unrelated business income subject to income taxes. Accordingly, no provision for income taxes has been included in these financial statements.

TCF evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. At December 31, 2022, TCF believes that it has no uncertain tax positions within any of its open tax returns (2019-2021).

Leases

TCF determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and operating lease liabilities on the balance sheet except for leases with an initial term of less than twelve months, for which TCF made the short-term lease election. At lease commencement, ROU assets and operating lease liabilities reflect the present value of the future minimum payments over the lease term and are discounted using the risk-free rate. Operating lease expense is recognized on a straight-line basis over the lease term. TCF does not report ROU assets and operating lease liabilities for its short-term leases (leases with a term of twelve months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis.

The Tanzanian Children's Fund, Inc.
Notes to Financial Statements - *continued*
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies – continued

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which supersedes existing guidance. The FASB subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities on the balance sheet for operating leases.

3. Concentration of Credit Risk

TCF maintains its cash accounts in commercial banks located in Massachusetts. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. These balances may, at times, exceed the FDIC limits. TCF does not believe it is exposed to significant risk related to uninsured deposits as it periodically reviews the credit standings of the related institutions.

4. Investments and Fair Value Measurements

During 2022, TCF transferred its entire investment portfolio from one financial institution to another financial institution. The investments are subject to market fluctuations and due to the level of risk associated with investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the financial statements. At December 31, 2022 and 2021, investments are measured at fair value on a recurring basis and consisted of the following:

<i>Investment</i>	<i>2022 Fair Value</i>	<i>Level 1</i>
Corporate bond	\$ 224,886	\$ 224,886
Short-term bond	304,662	304,662
Large blend	3,286,941	3,286,941
International bond	563,330	563,330
International stock	879,862	879,862
Intermediate core bond	664,875	664,875
Certificates of deposit	67,700	67,700
Long-term investment grade fund	<u>133,085</u>	<u>133,085</u>
Total	<u>\$ 6,125,341</u>	<u>\$ 6,125,341</u>

The Tanzanian Children's Fund, Inc.
Notes to Financial Statements - *continued*
December 31, 2022 and 2021

4. Investments and Fair Value Measurements – continued

<i>Investment</i>	<i>2021</i> <i>Fair Value</i>	<i>Level 1</i>
Money market	\$ 220,814	\$ 220,814
Fixed coupons	91,323	91,323
Mutual Funds	2,794,219	2,794,219
Equity securities	2,854,924	2,854,924
Fixed income securities	<u>1,025,370</u>	<u>1,025,370</u>
Total	<u>\$ 6,986,650</u>	<u>\$ 6,986,650</u>

5. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions limiting their use, within one year of balance sheet date, comprise the following at December 31, 2022 and 2021:

	<i>2022</i>	<i>As Restated</i> <i>2021</i>
Financial assets at fiscal year end:		
Cash	\$ 1,849,738	\$ 1,866,634
Accounts receivable	350,190	140,717
Pledges receivable	242,400	25,000
Investments	<u>6,043,995</u>	<u>6,949,051</u>
Total financial assets	<u>8,486,323</u>	<u>8,981,402</u>
Less amounts unavailable for general expenditure within one year, due to:		
Net assets with board restrictions	6,097,881	6,949,051
Net assets with donor restrictions	2,101,235	1,024,065
Less net assets with purpose or time restricted to be met in less than one year	<u>(81,346)</u>	<u>(683,065)</u>
Total	<u>8,117,770</u>	<u>7,290,051</u>
Financial assets available to meet general expenditures within one year	<u>\$ 368,553</u>	<u>\$ 1,691,351</u>

As part of TCF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and liabilities. In addition, the investments with board restrictions could be made available if necessary.

The Tanzanian Children's Fund, Inc.
Notes to Financial Statements - *continued*
December 31, 2022 and 2021

6. Lease Commitment

TCF leased office space under a short-term operating lease that commenced on September 1, 2021 and expired on June 30, 2022. The lease required monthly payments of \$2,400. The lease was terminated on April 30, 2022.

TCF commenced an operating lease for new office space on May 1, 2022, the lease was for a thirteen month period expiring on May 31, 2023. The lease required monthly payments of \$3,500. Subsequent to year end, in May 2023, TCF entered into a new short term lease agreement for a period of three months expiring August 31, 2023 and thereafter entered into a new and separate lease agreement for a 12 month period expiring on August 31, 2024.

Rent expense for the years ending December 31, 2022 and 2021 were \$44,900 and \$17,600, respectively.

The future minimum lease payments under noncancelable operating lease agreements entered into subsequent to year end are as follows:

<i>Year</i>	<i>Amount</i>
2023	\$ 42,600
2024	\$ 29,200

7. Promises to Give

Unconditional promises to give are estimated to be collected as follows at December 31, 2022 and 2021:

	<i>2022</i>	<i>As Restated 2021</i>
Within one year	\$ 242,400	\$ 25,000
In one to five years	657,200	75,000
	899,600	100,000
Less discount to net present value at 3.31%	(60,299)	-
	\$ 839,301	\$ 100,000

At December 31, 2022, three donors accounted for 100% of the total promises to give. At December 31, 2021, one donor accounted for 100% of the total promises to give.

The Tanzanian Children's Fund, Inc.
Notes to Financial Statements - *continued*
December 31, 2022 and 2021

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following uses at December 31, 2022 and 2021:

	<i>2022</i>	<i>As Restated 2021</i>
<i>Purpose restrictions</i>		
Oldeani primary school capital costs	\$ 587,896	\$ 760,035
Gyetighi operating	92,051	27,029
Gyetighi primary school capital costs	47,915	12,561
Boniface children fund	28,585	33,597
Dorm Two	232,000	-
New staff house	-	3,546
Scholarship fund	33,000	33,000
Rosetta stone materials	23,513	-
Mental health initiatives	17,371	47,653
Health care fund	15,000	-
Education program general	100,872	100,000
Other	5,099	6,644
	<u>1,183,302</u>	<u>1,024,065</u>
Total purpose restrictions		
<i>Subject to the passage of time</i>	<u>917,933</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 2,101,235</u>	<u>\$ 1,024,065</u>

Net assets released from restrictions for the years ended December 31, 2022 and 2021 were as follows:

	<i>2022</i>	<i>2021</i>
<i>Satisfaction of purpose restrictions</i>		
Oldeani primary school capital costs	\$ 367,139	\$ 114,079
Gyetighi operating	103,978	101,170
Gyetighi primary school capital costs	90,846	74,939
Boniface children fund	-	4,000
New staff house	3,546	56,454
Scholarship fund	-	7,000
Mental health initiatives	30,282	27,717
Other	1,545	-
Rosetta stone materials	287	-
Education program general	30,328	-
REAP	2,500	-
	<u>630,451</u>	<u>385,359</u>
<i>Subject to the passage of time</i>	<u>294,067</u>	<u>-</u>
Total net assets released from restriction	<u>\$ 924,518</u>	<u>\$ 385,359</u>

The Tanzanian Children's Fund, Inc.
Notes to Financial Statements - *continued*
December 31, 2022 and 2021

9. Net Assets Without Donor Restrictions – Board Designated

TCF's board of directors has designated, from net assets without donor restrictions the following investments as of December 31, 2022 and 2021:

<i>Purpose</i>	<i>2022</i>	<i>2021</i>
Operations and/or capital costs	\$ 1,822,718	\$ 2,117,209
Long-term fund: operations and/or capital costs of the Organization or the Rift Valley Children's Village	4,114,085	4,632,223
Lorinda de Roulet scholarship fund	68,827	99,612
Muller scholarship fund	<u>92,251</u>	<u>100,007</u>
Total	<u>\$ 6,097,881</u>	<u>\$ 6,949,051</u>

10. Paycheck Protection Program

During 2020, TCF received a Paycheck Protection Program (PPP) loan from a financial institution in the amount of \$50,271. Under the terms of the PPP loan, TCF must utilize the proceeds to fund qualifying expenses over a twenty-four-week period. Upon utilization of the loan proceeds, TCF can apply for loan forgiveness. During 2021, TCF applied for and received loan forgiveness and \$50,271 is recognized as debt forgiveness income on the Statement of Activities.

11. Related Party Transactions

For the years ended December 31, 2022 and 2021, a member of TCF's board of directors was paid \$35,000 and \$71,667 for consulting services.

A member of TCF's board of directors is on the board of Rift Valley Children's Village. For the years ended December 31, 2022 and 2021, TCF provided contributions of \$1,839,128 and \$1,674,483, respectively, to Rift Valley Children's Village.

12. Prior Period Adjustment

TCF discovered that the promises to give and contribution revenue had been understated due to a promise to give in the amount of \$100,000 not being recognized in the 2021 financial statements. Accordingly, TCF restated its results for the affected year. The effect of the restatement was to increase the change in net assets for 2021 by \$100,000.

The Tanzanian Children's Fund, Inc.
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12. *Prior Period Adjustment – continued*

The effect of the restatement on the statement of financial position and statement of activities as of and for the year ended December 31, 2021, are as follows:

	<i>As Previously Reported December 31, 2021</i>	<i>As Restated December 31, 2021</i>
Pledges receivable	\$ -	\$ 100,000
Total assets	\$ 9,004,801	\$ 9,104,801
Net assets at end of year	\$ 8,955,678	\$ 9,055,678
Contributions and grants	\$ 3,451,284	\$ 3,551,284
Total revenue and support	\$ 4,375,928	\$ 4,475,928
Change in net assets	\$ 2,088,940	\$ 2,188,940

13. *Subsequent Events*

Subsequent to year end, TCF entered into two leases, see Note 6 for more information.

TCF has performed an evaluated subsequent events through October 25, 2023, which is the date the financial statements were available to be issued.