



Batts Morrison
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CERTIFIED PUBLIC ACCOUNTANTS

Amazima Ministries International, Education and Empowerment for East Africa

Consolidated Financial Statements

For The Years Ended December 31, 2022 and 2021



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CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITOR

The Board of Directors
Amazima Ministries International, Education and Empowerment for East Africa
Franklin, Tennessee

Opinion

We have audited the accompanying consolidated financial statements of Amazima Ministries International, Education and Empowerment for East Africa (“the Ministry”), which consist of the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amazima Ministries International, Education and Empowerment for East Africa as of December 31, 2022 and 2021, the consolidated changes in its net assets and its consolidated 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 Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Ministry 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry’s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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, including omissions, 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 consolidated financial statements.

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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 risk of material misstatement of the consolidated 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 consolidated 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 Ministry'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry'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.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
October 24, 2023

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
EAST AFRICA**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 6,101,167	\$ 7,994,058
Investments	11,060,210	10,836,929
Right-of-use asset	736,146	—
Other assets	162,314	9,846
Total assets	\$ 18,059,837	\$ 18,840,833

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 36,636	\$ 88,504
Lease liability	750,794	—
Total liabilities	787,430	88,504
NET ASSETS		
Without donor restrictions	17,221,653	18,127,913
With donor restrictions	50,754	624,416
Total net assets	17,272,407	18,752,329
Total liabilities and net assets	\$ 18,059,837	\$ 18,840,833

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
EAST AFRICA**

CONSOLIDATED STATEMENTS OF ACTIVITIES

	For The Year Ended December 31, 2022			For The Year Ended December 31, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Contributions without donor restrictions	\$ 5,646,197	\$ —	\$ 5,646,197	\$ 6,302,872
Contributions with donor restrictions	—	1,432,965	1,432,965	1,649,735
Other revenue	106,964	—	106,964	131,870
Investment (loss) income, net	(1,440,480)	—	(1,440,480)	852,759
Net assets released from time and use restrictions	2,006,627	(2,006,627)	—	—
Total public support and revenue and net assets released from restrictions	6,319,308	(573,662)	5,745,646	8,937,236
EXPENSES				
Program activities	5,770,986	—	5,770,986	5,346,424
Supporting activities				
Fundraising	746,070	—	746,070	832,347
Management and general	708,512	—	708,512	608,298
Total supporting activities	1,454,582	—	1,454,582	1,440,645
Total expenses	7,225,568	—	7,225,568	6,787,069
Change in net assets without donor restrictions	(906,260)	—	(906,260)	4,053,909
Change in net assets with donor restrictions	—	(573,662)	(573,662)	(1,903,742)
CHANGE IN NET ASSETS	(906,260)	(573,662)	(1,479,922)	2,150,167
NET ASSETS - Beginning of year	18,127,913	624,416	18,752,329	16,602,162
NET ASSETS - End of year	\$ 17,221,653	\$ 50,754	\$ 17,272,407	\$ 18,752,329

The Accompanying Notes are an Integral
Part of These Consolidated Financial Statements

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
EAST AFRICA**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	December 31,	
	2022	2021
OPERATING CASH FLOWS		
Cash received from contributors	\$ 7,079,162	\$ 7,952,607
Investment income received	283,377	269,108
Cash received from other revenue	106,964	131,870
Cash paid for operating activities and costs	(7,415,256)	(6,715,855)
Net operating cash flows	54,247	1,637,730
INVESTING CASH FLOWS		
Net purchases of investments and reinvestment of interest	(1,947,138)	(66,082)
Purchases of and improvements to property and equipment	—	(1,200)
Net investing cash flows	(1,947,138)	(67,282)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,892,891)	1,570,448
CASH AND CASH EQUIVALENTS - Beginning of year	7,994,058	6,423,610
CASH AND CASH EQUIVALENTS - End of year	\$ 6,101,167	\$ 7,994,058
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ (1,479,922)	\$ 2,150,167
Adjustments to reconcile change in net assets to net operating cash flows		
Net loss (gain) on investments	1,723,857	(583,651)
Amortization of right-of-use asset	174,403	—
Change in other assets	(152,468)	5,253
Change in accounts payable and accrued expenses	(51,868)	65,961
Change in lease liability	(159,755)	—
Net operating cash flows	\$ 54,247	\$ 1,637,730

SUPPLEMENTAL DISCLOSURE

As of January 1, 2022, the Ministry recognized approximately \$911,000 of right-of-use assets in exchange for approximately the same amount of lease liabilities. See Note H.

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
EAST AFRICA**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2022**

	Program activities	Supporting activities		Total expenses
		Fundraising	Management and general	
Grants	\$ 4,364,241	\$ —	\$ —	\$ 4,364,241
Salaries and benefits	734,069	444,742	369,841	1,548,652
Professional fees	216,751	76,061	110,150	402,962
Occupancy	183,504	36,822	54,896	275,222
Office	122,827	35,984	86,043	244,854
Other	77,361	85,362	71,333	234,056
Conference and travel	72,233	67,099	16,249	155,581
Total expenses	\$ 5,770,986	\$ 746,070	\$ 708,512	\$ 7,225,568

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**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
EAST AFRICA**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2021**

	Program activities	Supporting activities		Total expenses
		Fundraising	Management and general	
Grants	\$ 3,719,974	\$ —	\$ —	\$ 3,719,974
Salaries and benefits	832,034	313,749	255,957	1,401,740
Conference and travel	270,997	318,017	22,133	611,147
Office	209,892	93,873	93,422	397,187
Professional fees	78,522	58,235	159,636	296,393
Occupancy	146,920	35,211	55,573	237,704
Other	88,085	13,262	21,577	122,924
Total expenses	\$ 5,346,424	\$ 832,347	\$ 608,298	\$ 6,787,069

The Accompanying Notes are an Integral
Part of These Consolidated Financial Statements

AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR EAST AFRICA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Amazima Ministries International, Education and Empowerment for East Africa (“the Ministry”) is a not-for-profit Tennessee corporation whose purpose is to educate and empower the children of East Africa by providing them with education, health care, food, family, and spiritual, physical, and emotional encouragement. The Ministry’s vision is that every person served by the Ministry would know Christ and make Him known, resulting in transformed lives, restored relationships, and changed communities. The Ministry is funded primarily through contributions from businesses and individuals.

The Ministry’s ministries include:

Educational Activities – The Ministry directly supports the Amazima School (“the School”) in Uganda. The School is a Christ-centered primary and secondary school that exists to equip Ugandan students with the tools of learning and creative thinking to enable them to live fully for the glory of God. Through child scholarships, children at the School receive meals, school supplies, medical care, and spiritual discipleship. In addition, children learn about Jesus and participate in Bible studies, worship, and other fellowship activities.

Medical Care – The Ministry helps provide care to those families whose children are at the School within the Jinja community who might not be able to afford medical care at the local hospital. Malaria treatment and prevention are also provided.

Vocational Projects – The Ministry partners with local Ugandans implementing self-sustaining vocational programs so the people of Uganda can have the joy of providing for their own families.

Community – The Ministry fosters spiritual growth activities and Bible studies in several villages in Uganda.

Other Programs – Other programs include the Ministry’s sale of jewelry made in Uganda and other activities not classified in the categories above.

In conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), the consolidated financial statements of the Ministry include the accounts of Amazima Asset Trust (“the Trust”). The Trust was formed to hold certain assets for the support of the Ministry. The Ministry is the sole beneficiary and supported organization of the Trust. All significant interorganization balances have been eliminated in consolidation. References to “the Ministry” in these footnotes include both of the organizations described above, unless otherwise noted.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Ministry recognizes cash contributions as revenue when the contributions are received by the Ministry. Contributions received are recorded as without or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a 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 reported in the accompanying consolidated statement of activities as “net assets released from time and use restrictions.”

Cash and cash equivalents

The Ministry considers investment instruments purchased or donated with original maturities of three months or less to be cash and cash equivalents.

Investments

Investments are carried at estimated fair value.

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
EAST AFRICA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of amounts with uses limited by donor imposed time and/or purpose restrictions.

Functional allocation of expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time.

Leases

The Ministry leases certain office space as further described in Note H. The Ministry assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of twelve months or less are not recorded on the consolidated statement of financial position. Lease expense is recognized for those leases on a straight-line basis over the lease term.

Income taxes

The Ministry is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Tennessee law. The Ministry is further classified as a public charity and not a private foundation for federal tax purposes. The Trust is considered a grantor trust of the Ministry. The Ministry and the Trust have not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying consolidated financial statements.

Use of estimates

Management uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these consolidated financial statements include those used in determining the present value of lease payments (including the lease term and discount rate) and those related to the estimated fair value of investments. Actual results could differ from the estimates.

New accounting pronouncement

The Ministry adopted Financial Accounting Standards Board Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842) which is effective for the Ministry’s 2022 consolidated financial statements. The Ministry adopted the ASU using the modified retrospective approach, with January 1, 2022 as the date of initial adoption. The ASU applies to organizations who hold long-term leases (as lessee) and requires recognition of right-of-use assets and related lease liabilities in the consolidated statement of financial position. The Ministry elected practical expedients permitted under the transition guidance for the new standard, which among other things, allowed the Ministry to carry forward the historical lease classification. As a result of adopting the new standard effective January 1, 2022, the Ministry recorded a lease asset and liability of approximately \$911,000. The adoption of the ASU had no net effect on the Ministry’s consolidated net assets as of January 1, 2021 or the consolidated change in net assets for 2021.

Subsequent events

The Ministry has evaluated for possible financial reporting and disclosure subsequent events through the date of the report of independent auditor, the date as of which the consolidated financial statements were available to be issued.

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
EAST AFRICA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the date of the consolidated statements of financial position are as follows:

	<u>December 31.</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,101,167	\$ 7,994,058
Investments	<u>11,060,210</u>	<u>10,836,929</u>
Total financial assets available for general expenditure within one year	<u>\$ 17,161,377</u>	<u>\$ 18,830,987</u>

The Ministry is primarily supported by contributions. As part of the Ministry's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Donor-restricted net assets are available for general expenditure within one year of December 31, 2022 and 2021 because the restrictions on net assets are expected to be met by conducting the normal activities of the Ministry within one year. Management believes the Ministry has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or immediate liquidity need.

NOTE D – CONCENTRATIONS

The Ministry maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Ministry has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

NOTE E – FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, U.S. GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE E – FAIR VALUE MEASUREMENTS (Continued)

Estimated fair values of assets measured on a recurring basis as of December 31, 2022, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Exchange-traded funds	\$ 5,179,558	\$ 5,179,558	\$ —	\$ —
Government securities	2,004,631	2,004,631	—	—
Contingent coupon callable yield notes	1,803,757	—	—	1,803,757
Mutual funds	1,055,697	1,055,697	—	—
Nonpublicly traded investment	1,012,908	—	—	1,012,908
Common stock	<u>3,659</u>	<u>3,659</u>	<u>—</u>	<u>—</u>
Total equity securities	<u>\$ 11,060,210</u>	<u>\$ 8,243,545</u>	<u>\$ —</u>	<u>\$ 2,816,665</u>

Estimated fair values of assets measured on a recurring basis as of December 31, 2021, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Exchange-traded funds	\$ 6,256,804	\$ 6,256,804	\$ —	\$ —
Mutual funds	4,560,833	4,560,833	—	—
Common stock	<u>19,292</u>	<u>19,292</u>	<u>—</u>	<u>—</u>
Total equity securities	<u>\$ 10,836,929</u>	<u>\$ 10,836,929</u>	<u>\$ —</u>	<u>\$ —</u>

As of December 31, 2022, each of the Ministry’s contingent coupon callable yield notes (“the notes”) originated from debt instruments issued by regulated investment companies. The value of the notes are linked to various market indexes as specified in the note agreements. The notes are unsecured and cannot be redeemed by the Ministry without the consent of the issuer. The estimated fair value of the notes are based on amounts provided by the investees.

As of December 31, 2022, the Ministry’s nonpublicly traded investment consists of an interest in a private credit fund, the estimated fair value of which is based on an amount provided by the investee. There is no lock-up period or other redemption restrictions associated with the nonpublicly traded investment, and such investment can be liquidated at an amount approximating net asset value in the near-term with proper notice and consent of the issuer.

It is at least reasonably possible that changes in the values of the notes and nonpublicly traded investment will occur in the near term, and that such changes could materially affect investment account balances and the amounts reported in the accompanying consolidated financial statements.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, January 1, 2022	\$ —
Net purchases	2,800,000
Net gains	<u>16,665</u>
Balance, December 31, 2022	<u>\$ 2,816,665</u>

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE F – RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions were for the following purposes during 2022:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Christmas baskets	\$ 34,764	\$ 15,990	\$ —	\$ 50,754
Educational activities	589,652	1,323,046	(1,912,698)	—
Medical care	—	78,970	(78,970)	—
Vocational projects	—	13,608	(13,608)	—
Other	—	1,351	(1,351)	—
	<u>—</u>	<u>1,351</u>	<u>(1,351)</u>	<u>—</u>
Total	<u>\$ 624,416</u>	<u>\$ 1,432,965</u>	<u>\$ (2,006,627)</u>	<u>\$ 50,754</u>

Net assets with donor restrictions were for the following purposes during 2021:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Educational activities	\$ 2,528,158	\$ 1,184,126	\$ (3,122,632)	\$ 589,652
Christmas baskets	—	34,764	—	34,764
Medical care	—	355,418	(355,418)	—
Other	—	67,836	(67,836)	—
Vocational projects	—	7,591	(7,591)	—
	<u>—</u>	<u>7,591</u>	<u>(7,591)</u>	<u>—</u>
Total	<u>\$ 2,528,158</u>	<u>\$ 1,649,735</u>	<u>\$ (3,553,477)</u>	<u>\$ 624,416</u>

NOTE G – RETIREMENT PLAN

The Ministry has adopted a 401(k) Profit Sharing Plan (“the Plan”) for the benefit of the Ministry’s employees. All employees meeting the Plan’s eligibility requirements may participate in the Plan. The Plan requires the Ministry to make matching contributions of up to 3% of an employee’s annual compensation up to a maximum of 5% (increasing by 50% of salary deferrals between 3% and 5% of an employee’s annual compensation). The Plan also allows for discretionary employer contributions. The Ministry contributed approximately \$37,000 and \$23,000 to the Plan during 2022 and 2021, respectively.

NOTE H – LEASE

The Ministry is obligated under a non-cancelable lease agreement for the use of certain office space. This lease agreement is referred to herein as “the lease agreement.”

The Ministry’s lease agreement is classified as an operating lease. As of January 1, 2022, the asset and liability related to the lease agreement was recorded at the present value of the remaining lease payments and was calculated utilizing an applicable risk free rate as the discount rate. As of December 31, 2022, the Ministry’s lease asset and lease liability totaled \$736,146 and \$750,794, respectively, which is included in the accompanying consolidated statement of financial position as “right-of-use asset” and “lease liability.”

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE H – LEASE (Continued)

The lease agreement contains lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on the terms of the lease agreement. The non-lease components are not included in the recognition of the “right-of-use asset” and “lease liability,” and are expensed as incurred.

Total operating lease cost for 2022 related to the lease agreement amounted to approximately \$187,000.

The remaining lease term of the lease agreement as of December 31, 2022 is approximately four years.

The discount rate of the lease agreement as of December 31, 2022 is 1.37%.

Following is a schedule by years of future undiscounted payments required under the lease agreement reconciled to the total lease liability as of December 31, 2022:

<u>Year Ending December 31,</u>		
2023	\$	179,432
2024		186,633
2025		193,834
2026		201,035
2027		<u>16,803</u>
Total undiscounted payments		777,737
Less: Effect of discount rate applied		<u>(26,943)</u>
Total lease liability	\$	<u>750,794</u>

NOTE I – RELATED PARTY TRANSACTIONS

In the furtherance of its mission, the Ministry cooperates in ministry with Amazima Ministries International, the Amazima School Limited by Guarantee, and Amazima Ministries International Limited (collectively referred to in these footnotes as “the foreign entities”), which are foreign entities domiciled in Uganda. While the Ministry exercises significant influence over the activities of the foreign entities, the Ministry does not “control” the foreign entities (as that term is defined under U.S. GAAP). During 2022 and 2021, the Ministry provided assistance to the foreign entities in the form of cash and noncash grants totaling \$4,364,241 and \$3,611,099, respectively, which are included as “program expenses” in the accompanying consolidated statements of activities.

Following are the aggregate amounts as reported in the most recently available unaudited financial statements of the foreign entities:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Total assets	\$ 13,124,889	\$ 11,754,597
Total liabilities	\$ 64,688	\$ 43
Total net assets	\$ 13,060,201	\$ 11,754,554
Total revenue	\$ 4,058,540	\$ 3,312,262
Total expenses	\$ 2,752,893	\$ 1,822,330
Total change in net assets	\$ 1,305,647	\$ 1,489,932