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Amazima Ministries International, Education and Empowerment for East Africa

Consolidated Financial Statements

For The Years Ended December 31, 2023 and 2022



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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, 2023 and 2022, 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, 2023 and 2022, 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 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

July 31, 2024

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 7,085,072	\$ 6,101,167
Investments	10,753,263	11,060,210
Right-of-use asset	559,553	736,146
Other assets	108,995	162,314
Total assets	\$ 18,506,883	\$ 18,059,837

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 44,272	\$ 36,636
Lease liability	581,648	750,794
Total liabilities	625,920	787,430
NET ASSETS		
Without donor restrictions	17,804,981	17,221,653
With donor restrictions	75,982	50,754
Total net assets	17,880,963	17,272,407
Total liabilities and net assets	\$ 18,506,883	\$ 18,059,837

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

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

CONSOLIDATED STATEMENTS OF ACTIVITIES

	For The Years Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS						
Contributions	\$ 6,617,856	\$ 1,136,776	\$ 7,754,632	\$ 5,646,197	\$ 1,432,965	\$ 7,079,162
Investment income (loss), net	1,393,276	—	1,393,276	(1,440,480)	—	(1,440,480)
Other revenue	98,238	—	98,238	106,964	—	106,964
Net assets released from time and use restrictions	<u>1,111,548</u>	<u>(1,111,548)</u>	<u>—</u>	<u>2,006,627</u>	<u>(2,006,627)</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>9,220,918</u>	<u>25,228</u>	<u>9,246,146</u>	<u>6,319,308</u>	<u>(573,662)</u>	<u>5,745,646</u>
EXPENSES						
Program activities	<u>6,758,603</u>	<u>—</u>	<u>6,758,603</u>	<u>5,770,986</u>	<u>—</u>	<u>5,770,986</u>
Supporting activities						
Fundraising	1,042,389	—	1,042,389	746,070	—	746,070
Management and general	<u>836,598</u>	<u>—</u>	<u>836,598</u>	<u>708,512</u>	<u>—</u>	<u>708,512</u>
Total supporting activities	<u>1,878,987</u>	<u>—</u>	<u>1,878,987</u>	<u>1,454,582</u>	<u>—</u>	<u>1,454,582</u>
Total expenses	<u>8,637,590</u>	<u>—</u>	<u>8,637,590</u>	<u>7,225,568</u>	<u>—</u>	<u>7,225,568</u>
CHANGE IN NET ASSETS	<u>583,328</u>	<u>25,228</u>	<u>608,556</u>	<u>(906,260)</u>	<u>(573,662)</u>	<u>(1,479,922)</u>
NET ASSETS - Beginning of year	<u>17,221,653</u>	<u>50,754</u>	<u>17,272,407</u>	<u>18,127,913</u>	<u>624,416</u>	<u>18,752,329</u>
NET ASSETS - End of year	<u>\$ 17,804,981</u>	<u>\$ 75,982</u>	<u>\$ 17,880,963</u>	<u>\$ 17,221,653</u>	<u>\$ 50,754</u>	<u>\$ 17,272,407</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2023	2022
OPERATING CASH FLOWS		
Cash received from contributors	\$ 7,754,632	\$ 7,079,162
Investment income received	546,651	283,377
Cash received from other revenue	98,238	106,964
Cash paid for operating activities and costs	(8,569,188)	(7,415,256)
Net operating cash flows	(169,667)	54,247
INVESTING CASH FLOWS		
Net sales (purchases) of investments and reinvestment of interest	1,153,572	(1,947,138)
Net investing cash flows	1,153,572	(1,947,138)
NET CHANGE IN CASH AND CASH EQUIVALENTS	983,905	(1,892,891)
CASH AND CASH EQUIVALENTS - Beginning of year	6,101,167	7,994,058
CASH AND CASH EQUIVALENTS - End of year	\$ 7,085,072	\$ 6,101,167
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ 608,556	\$ (1,479,922)
Adjustments to reconcile change in net assets to net operating cash flows		
Net (gain) loss on investments	(846,625)	1,723,857
Amortization of right-of-use asset	176,593	174,403
Change in other assets	53,319	(152,468)
Change in accounts payable and accrued expenses	7,636	(51,868)
Change in lease liability	(169,146)	(159,755)
Net operating cash flows	\$ (169,667)	\$ 54,247

SUPPLEMENTAL DISCLOSURE

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

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

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2023

	Program activities	Supporting activities		Total expenses
		Fundraising	Management and general	
Grants	\$ 5,254,966	\$ —	\$ —	\$ 5,254,966
Salaries and benefits	728,147	522,103	410,331	1,660,581
Conference and travel	234,550	293,350	16,018	543,918
Other	159,004	170,305	59,873	389,182
Occupancy	136,681	42,564	101,252	280,497
Office	65,690	13,167	188,923	267,780
Professional fees	179,565	900	60,201	240,666
Total expenses	\$ 6,758,603	\$ 1,042,389	\$ 836,598	\$ 8,637,590

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

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 to make disciples of Jesus through authentic relationships, excellent education, and strengthened 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 in this paragraph, 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 statements 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 immaterial to the consolidated statements 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.

Reclassifications

Certain amounts included in the December 31, 2022 consolidated financial statements have been reclassified to conform to classifications adopted during the year ended December 31, 2023. The reclassifications had no material effect on the accompanying consolidated financial statements.

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:

	December 31,	
	2023	2022
Cash and cash equivalents	\$ 7,085,072	\$ 6,101,167
Investments	10,753,263	11,060,210
Total financial assets available for general expenditure within one year	\$ 17,838,335	\$ 17,161,377

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, 2023 and 2022 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
EAST AFRICA**

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, 2023, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Exchange-traded funds	\$ 5,403,858	\$ 5,403,858	\$ —	\$ —
Mutual funds	1,531,529	1,531,529	—	—
Government securities	<u>1,039,173</u>	<u>1,039,173</u>	—	—
Subtotal	7,974,560	<u>\$ 7,974,560</u>	<u>\$ —</u>	<u>\$ —</u>
Fair value measured at net asset value – nonpublicly traded investments*	<u>2,778,703</u>			
Total	<u>\$ 10,753,263</u>			

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	—	—
Common stock	<u>3,659</u>	<u>3,659</u>	—	—
Total	10,047,302	<u>\$ 8,243,545</u>	<u>\$ —</u>	<u>\$ 1,803,757</u>
Fair value measured at net asset value – nonpublicly traded investment*	<u>1,012,908</u>			
Total	<u>\$ 11,060,210</u>			

* U.S. GAAP permits nonpublicly traded investments whose fair value is measured using net asset value to be omitted from the fair value hierarchy.

As of December 31, 2023 and 2022, the Ministry’s nonpublicly traded investments consist of interests in private credit funds, the estimated fair value of which are based on amounts provided by the investees. There are no lock-up periods or other redemption restrictions associated with the nonpublicly traded investments, and such investments can be liquidated at an amount approximating net asset value in the near-term with proper notice and consent of the issuers.

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.

It is at least reasonably possible that changes in the values of the notes and nonpublicly traded investments 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE E – FAIR VALUE MEASUREMENTS (Continued)

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	1,800,000
Net gains	<u>3,757</u>
 Balance, December 31, 2022	 1,803,757
Net redemptions	(1,800,000)
Net losses	<u>(3,757)</u>
 Balance, December 31, 2023	 <u>\$ —</u>

NOTE F – RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions were for the following purposes during 2023:

	Balance January 1	Contributions	Releases	Balance December 31
Christmas baskets	\$ 50,754	\$ 25,228	\$ —	\$ 75,982
Educational activities	—	1,014,161	(1,014,161)	—
Medical care	—	86,494	(86,494)	—
Other	—	5,512	(5,512)	—
Vocational projects	<u>—</u>	<u>5,381</u>	<u>(5,381)</u>	<u>—</u>
Total	<u>\$ 50,754</u>	<u>\$ 1,136,776</u>	<u>\$ (1,111,548)</u>	<u>\$ 75,982</u>

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

	Balance January 1	Contributions	Releases	Balance December 31
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	<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>

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 \$36,000 and \$37,000 to the Plan during 2023 and 2022, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 lease agreement is classified as an operating lease. As of January 1, 2022, the asset and liability related to the lease agreement were recorded at the present value of the remaining lease payments and were calculated utilizing an applicable risk free rate as the discount rate.

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.

The lease is recognized in the accompanying consolidated statements of financial position as follows:

	December 31,	
	2023	2022
Right-of-use asset	\$ 559,553	\$ 736,146
Lease liability	\$ 581,648	\$ 750,794

The remaining term of the lease agreement as of December 31, 2023 is approximately three years.

The discount rate of the lease agreement as of December 31, 2023 and 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, 2023:

<u>Year Ending December 31,</u>	
2024	\$ 186,633
2025	193,834
2026	201,035
2027	16,803
Total undiscounted payments	598,305
Less: Effect of discount rate applied	(16,657)
Total lease liability	\$ 581,648

Total operating lease cost related to the lease agreement amounted to approximately \$187,000 for 2023 and 2022.

Total amortization expense amounted to \$176,593 and \$174,403 for 2023 and 2022, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I – RELATED PARTY TRANSACTIONS

In the furtherance of its mission, the Ministry cooperates 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 2023 and 2022, the Ministry provided assistance to the foreign entities in the form of cash and noncash grants totaling \$5,254,966 and \$4,364,241, respectively, which are included as “program activities” 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:

	As Of And For The Years Ended	
	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Total assets	\$ 15,025,542	\$ 13,124,889
Total liabilities	\$ 52,750	\$ 64,688
Total net assets	\$ 14,972,792	\$ 13,060,201
Total revenue	\$ 5,116,709	\$ 4,058,540
Total expenses	\$ 3,204,118	\$ 2,752,893
Total change in net assets	\$ 1,912,591	\$ 1,305,647