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Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS®

# Amazima Ministries International, Education and Empowerment for East Africa

Consolidated Financial Statements

For The Years Ended December 31, 2024 and 2023



Battt Morrison  
Wales & Lee

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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, 2024 and 2023, 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, 2024 and 2023, 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 14, 2025

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	December 31,	
	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,141,681	\$ 7,085,072
Investments	13,705,057	10,753,263
Investments designated for long-term purposes	252,872	—
Right-of-use asset	380,642	559,553
Other assets	<u>201,086</u>	<u>108,995</u>
<b>Total assets</b>	<b><u>\$ 18,681,338</u></b>	<b><u>\$ 18,506,883</u></b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 43,410	\$ 44,272
Lease liability	<u>402,984</u>	<u>581,648</u>
<b>Total liabilities</b>	<b><u>446,394</u></b>	<b><u>625,920</u></b>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	17,866,405	17,804,981
Designated for endowment fund	<u>252,872</u>	<u>—</u>
Total net assets without donor restrictions	18,119,277	17,804,981
With donor restrictions	<u>115,667</u>	<u>75,982</u>
<b>Total net assets</b>	<b><u>18,234,944</u></b>	<b><u>17,880,963</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 18,681,338</u></b>	<b><u>\$ 18,506,883</u></b>

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

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

	For The Years Ended December 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Contributions	\$ 5,961,404	\$ 1,057,309	\$ 7,018,713	\$ 6,617,856	\$ 1,136,776	\$ 7,754,632
Investment income, net	1,493,470	—	1,493,470	1,393,276	—	1,393,276
Other revenue	75,575	—	75,575	98,238	—	98,238
Net assets released from time and use restrictions	<u>1,017,624</u>	<u>(1,017,624)</u>	<u>—</u>	<u>1,111,548</u>	<u>(1,111,548)</u>	<u>—</u>
<b>Total public support and revenue and net assets released from restrictions</b>	<b><u>8,548,073</u></b>	<b><u>39,685</u></b>	<b><u>8,587,758</u></b>	<b><u>9,220,918</u></b>	<b><u>25,228</u></b>	<b><u>9,246,146</u></b>
<b>EXPENSES</b>						
Program activities	<u>6,471,798</u>	<u>—</u>	<u>6,471,798</u>	<u>6,758,603</u>	<u>—</u>	<u>6,758,603</u>
Supporting activities						
Management and general	935,309	—	935,309	836,598	—	836,598
Fundraising	<u>826,670</u>	<u>—</u>	<u>826,670</u>	<u>1,042,389</u>	<u>—</u>	<u>1,042,389</u>
Total supporting activities	<u>1,761,979</u>	<u>—</u>	<u>1,761,979</u>	<u>1,878,987</u>	<u>—</u>	<u>1,878,987</u>
<b>Total expenses</b>	<b><u>8,233,777</u></b>	<b><u>—</u></b>	<b><u>8,233,777</u></b>	<b><u>8,637,590</u></b>	<b><u>—</u></b>	<b><u>8,637,590</u></b>
<b>CHANGE IN NET ASSETS</b>	<b><u>314,296</u></b>	<b><u>39,685</u></b>	<b><u>353,981</u></b>	<b><u>583,328</u></b>	<b><u>25,228</u></b>	<b><u>608,556</u></b>
<b>NET ASSETS - Beginning of year</b>	<b><u>17,804,981</u></b>	<b><u>75,982</u></b>	<b><u>17,880,963</u></b>	<b><u>17,221,653</u></b>	<b><u>50,754</u></b>	<b><u>17,272,407</u></b>
<b>NET ASSETS - End of year</b>	<b><u>\$ 18,119,277</u></b>	<b><u>\$ 115,667</u></b>	<b><u>\$ 18,234,944</u></b>	<b><u>\$ 17,804,981</u></b>	<b><u>\$ 75,982</u></b>	<b><u>\$ 17,880,963</u></b>

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**

	For The Years Ended December 31,	
	2024	2023
<b>OPERATING CASH FLOWS</b>		
Cash received from contributors	\$ 7,018,713	\$ 7,754,632
Investment income received	440,104	546,651
Cash received from other revenue	75,575	98,238
Cash paid for operating activities and costs	<u>(8,326,483)</u>	<u>(8,569,188)</u>
<b>Net operating cash flows</b>	<b><u>(792,091)</u></b>	<b><u>(169,667)</u></b>
<b>INVESTING CASH FLOWS</b>		
Net investment in assets designated for long-term purposes	(252,872)	—
Net (purchases) sales of investments and reinvestment of interest	<u>(1,898,428)</u>	<u>1,153,572</u>
<b>Net investing cash flows</b>	<b><u>(2,151,300)</u></b>	<b><u>1,153,572</u></b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,943,391)</b>	<b>983,905</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b><u>7,085,072</u></b>	<b><u>6,101,167</u></b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b><u>\$ 4,141,681</u></b>	<b><u>\$ 7,085,072</u></b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>		
Change in net assets	\$ 353,981	\$ 608,556
Adjustments to reconcile change in net assets to net operating cash flows		
Net gain on investments	(1,053,366)	(846,625)
Amortization of right-of-use asset	178,911	176,593
Change in other assets	(92,091)	53,319
Change in accounts payable and accrued expenses	(862)	7,636
Change in lease liability	<u>(178,664)</u>	<u>(169,146)</u>
<b>Net operating cash flows</b>	<b><u>\$ (792,091)</u></b>	<b><u>\$ (169,667)</u></b>

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

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

For The Year Ended December 31, 2024

	Program Activities	Supporting Activities		Total Expenses
		Management and General	Fundraising	
Grants	\$ 4,700,996	\$ —	\$ —	\$ 4,700,996
Salaries and benefits	1,177,078	498,610	468,411	2,144,099
Other	71,942	87,598	263,010	422,550
Office	105,219	185,125	11,237	301,581
Professional fees	179,218	94,243	—	273,461
Occupancy	166,327	49,570	39,444	255,341
Conference and travel	71,018	20,163	44,568	135,749
<b>Total expenses</b>	<b>\$ 6,471,798</b>	<b>\$ 935,309</b>	<b>\$ 826,670</b>	<b>\$ 8,233,777</b>

For The Year Ended December 31, 2023

	Program Activities	Supporting Activities		Total Expenses
		Management and General	Fundraising	
Grants	\$ 5,360,624	\$ —	\$ —	\$ 5,360,624
Salaries and benefits	622,489	410,331	522,103	1,554,923
Conference and travel	234,550	16,018	293,350	543,918
Other	159,004	59,873	170,305	389,182
Occupancy	136,681	101,252	42,564	280,497
Office	65,690	188,923	13,167	267,780
Professional fees	179,565	60,201	900	240,666
<b>Total expenses</b>	<b>\$ 6,758,603</b>	<b>\$ 836,598</b>	<b>\$ 1,042,389</b>	<b>\$ 8,637,590</b>

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# 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 people of East Africa by providing education, health care, food, and family support, as well as spiritual, physical, and emotional encouragement.

The Ministry’s mission is to make disciples of Jesus through authentic relationships, excellent education, and strengthened communities. Its vision is that every person served would know Christ and make Him known—resulting in transformed lives, restored relationships, and changed communities. The Ministry is primarily funded through contributions from individuals and businesses.

The Ministry’s key initiatives include:

*Educational Activities* – The Ministry directly supports The Amazima School, a Christ-centered primary and secondary school that equips Ugandan students with the tools of learning and creative thinking to live fully for the glory of God. Through educational scholarships, students receive a Christ-centered education, meals, school supplies, medical care, and spiritual discipleship. Primary school students (P1–P7) attend as day students, while secondary school students board on campus. Teachers follow the Ugandan curriculum and incorporate Biblical integration in each classroom to cultivate a Biblical worldview.

*Discipleship* – Outside of class, secondary boarding students participate in the Student Life program, a mentorship initiative led by married couples and single Ugandan adults who live among the students and model Christian lifestyles and marriages. Student Life incorporates daily devotions, life skills groups, intramural sports, worship teams, community service projects, partnerships with other area NGOs, and intentional relationships to promote spiritual and personal growth.

*Next Steps* – Upon graduation from secondary school, students are supported with career guidance, internships, university application assistance, vocational placements, financial literacy training, and mental health resources. The Ministry continues engaging graduates by assisting with tuition, supplies, and mentorship throughout their university, vocational training, or entry into the workforce.

*Medical Care* – The Ministry provides health care for students and their families within the Jinja community who may otherwise lack access to affordable medical services. Students receive vaccinations, as well as testing and treatment for common infectious diseases such as malaria and typhoid. The Ministry’s medical department collaborates with mentors and social workers to offer health screenings, deworming, and referrals for additional care. Trained clinical psychologists also provide mental health education and counseling to all students.

*Entrepreneurial Projects* – The Ministry partners with local Ugandans to implement self-sustaining businesses and agricultural initiatives that enable individuals to provide for their families. These projects include farming, soap-making, and operating small shops within local communities.

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

In accordance 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”), which was formed to hold certain assets for the benefit of the Ministry. The Ministry is the sole beneficiary and supported organization of the Trust. All significant interorganizational balances have been eliminated in consolidation. Unless otherwise noted, references to “the Ministry” in these footnotes include both organizations described above.



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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue recognition**

The Ministry recognizes cash contributions as revenue upon receipt. Contributions are recorded as either with or without donor restrictions, based on the existence and/or nature of donor-imposed conditions. When a restriction is fulfilled—either by the passage of time or the completion of a specified purpose—net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as “net assets released from time and use restrictions” in the accompanying consolidated statements of activities.

**Cash and cash equivalents**

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

**Investments**

Investments are reported at estimated fair value.

**Investments designated for long-term purposes**

Investments designated for long-term purposes consist of amounts designated by the Board of Directors to support the Ministry’s long-term operations in Uganda.

**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. The designated endowment fund is a fund established by the Board of Directors, the earnings from which are to be used to support the ongoing operations of the Ministry in Uganda. 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 is generally exempt from applicable state income taxes. 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.

# AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR EAST AFRICA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **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 the estimated fair value of investments. Actual results could differ from the estimates.

#### **Reclassifications**

Certain amounts included in the 2023 consolidated financial statements have been reclassified to conform to classifications adopted during 2024. 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.

### **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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,141,681	\$ 7,085,072
Investments	13,705,057	10,753,263
Investments designated for long-term purposes	<u>252,872</u>	<u>—</u>
Total financial assets available within one year	18,099,610	17,838,335
Less:		
Amounts unavailable for general expenditure within one year due to Board designation	<u>(252,872)</u>	<u>—</u>
Net financial assets available within one year	<u>\$ 17,846,738</u>	<u>\$ 17,838,335</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. The Board of Directors has designated certain amounts for an endowment fund. Because of the designation, these amounts are not available for general expenditure within one year; however, the Board of Directors could make them available, if necessary.

Donor-restricted net assets are available for general expenditure within one year of December 31, 2024 and 2023, 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.

# AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR EAST AFRICA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### **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

Estimated fair values of assets measured on a recurring basis as of December 31, 2024, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Exchange-traded funds	\$ 9,523,562	\$ 9,523,562	\$ —	\$ —
Mutual funds	<u>1,218,598</u>	<u>1,218,598</u>	<u>—</u>	<u>—</u>
Subtotal	10,742,160	<u>\$ 10,742,160</u>	<u>\$ —</u>	<u>\$ —</u>
Fair value measured at net asset value – nonpublicly traded investments*	<u>3,215,769</u>			
Total	<u>\$ 13,957,929</u>			

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>	<u>—</u>	<u>—</u>
Subtotal	7,974,560	<u>\$ 7,974,560</u>	<u>\$ —</u>	<u>\$ —</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE E – FAIR VALUE MEASUREMENTS (Continued)**

Fair value measured at net asset value – nonpublicly traded investments*	\$ <u>2,778,703</u>
Total	\$ <u>10,753,263</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, 2024 and 2023, the Ministry's nonpublicly traded investments consist of interests in private credit funds and a fund-of-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.

It is at least reasonably possible that changes in the values of the 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.

**NOTE F – RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions were for the following purposes during 2024:

	Balance <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	Balance <u>December 31</u>
Christmas baskets	\$ 75,982	\$ 32,395	\$ —	\$ 108,377
Futures	—	7,290	—	7,290
Educational activities	—	823,895	(823,895)	—
Medical care	—	145,684	(145,684)	—
Other	—	30,428	(30,428)	—
Vocational projects	—	17,617	(17,617)	—
Total	\$ <u>75,982</u>	\$ <u>1,057,309</u>	\$ <u>(1,017,624)</u>	\$ <u>115,667</u>

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

	Balance <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	Balance <u>December 31</u>
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	—	5,381	(5,381)	—
Total	\$ <u>50,754</u>	\$ <u>1,136,776</u>	\$ <u>(1,111,548)</u>	\$ <u>75,982</u>

# AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR EAST AFRICA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### **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 \$38,000 and \$36,000 to the Plan during 2024 and 2023, 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 and was recorded at the present value of the remaining lease payments and was calculated utilizing an applicable risk free rate as the discount rate of 1.37%.

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:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Right-of-use asset	<u>\$ 380,642</u>	<u>\$ 559,553</u>
Lease liability	<u>\$ 402,984</u>	<u>\$ 581,648</u>

The remaining term of the lease agreement as of December 31, 2024 is approximately two years.

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, 2024:

<u>Year Ending</u> <u>December 31,</u>	
2025	\$ 193,834
2026	201,035
2027	<u>16,803</u>
Total undiscounted payments	411,672
Less: Effect of discount rate applied	<u>(8,688)</u>
Total lease liability	<u>\$ 402,984</u>

Total operating lease cost related to the lease agreement amounted to approximately \$187,000 for 2024 and 2023.

Total amortization expense amounted to \$178,911 and \$176,593 for 2024 and 2023, respectively.

**AMAZIMA MINISTRIES INTERNATIONAL, EDUCATION AND EMPOWERMENT FOR  
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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 2024 and 2023, the Ministry provided assistance to the foreign entities in the form of cash and noncash grants totaling \$4,700,996 and \$5,360,624, 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	
	December 31,	
	2024	2023
Total assets	\$ 16,516,265	\$ 15,025,542
Total liabilities	\$ 72,591	\$ 52,750
Total net assets	\$ 16,443,674	\$ 14,972,792
 Total revenue	 \$ 5,217,627	 \$ 5,116,709
Total expenses	\$ 3,746,745	\$ 3,204,118
Total change in net assets	\$ 1,470,882	\$ 1,912,591