

**ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
dba ASJ-US**

FINANCIAL STATEMENTS

YEARS ENDED JULY 31, 2025 AND 2024

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	3-5
Financial Statements:	
Statements of Financial Position	6
Statement of Activities:	
- Year Ended July 31, 2025	7
- Year Ended July 31, 2024	8
Statement of Functional Expenses:	
- Year Ended July 31, 2025	9
- Year Ended July 31, 2024	10
Statements of Cash Flows	11
Notes to Financial Statements	12-27

December 11, 2025

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Association for a More Just Society - U.S.
Grand Rapids, Michigan

Opinion

We have audited the accompanying financial statements of Association for a More Just Society – U.S. (a nonprofit organization), which comprise the statements of financial position as of July 31, 2025 and 2024, 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 Association for a More Just Society – U.S. as of July 31, 2025 and 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Association for a More Just Society – U.S. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements (continued)

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 Association for a More Just Society – U.S.’ ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s 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 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 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 misstatements 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 Association for a More Just Society – U.S.’ internal control. Accordingly, no such opinion is expressed.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Association for a More Just Society – U.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.

Monroe, Sweeris + Tromp

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	July 31,	
	2025	2024
CURRENT ASSETS:		
Cash (Note 4 and 6)	\$ 991,439	\$ 597,704
Investments (Note 7)	275,807	312,935
Current unconditional promises to give (Note 8)	185,000	24,628
Rent receivable	-	18,171
Prepaid expenses	17,519	8,361
Beneficial interest in estate (Note 9)	273,000	-
	1,742,765	961,799
PROPERTY AND EQUIPMENT (NOTE 10)	4,323,317	4,381,906
OTHER ASSETS:		
Restricted deposits (Note 4)	18,171	30,000
Long-term unconditional promises to give (Note 8)	197,195	-
Operating lease asset (Note 15)	110,219	119,906
	325,585	149,906
	\$ 6,391,667	\$ 5,493,611

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS

	July 31,	
	2025	2024
CURRENT LIABILITIES:		
Accounts payable	\$ 20,866	\$ 2,552
Accrued expenses	8,160	7,275
Current grants payable (Note 11)	393,335	170,000
Deferred rent revenue	39,875	-
Current maturities of long-term debt (Note 12)	283,628	269,879
Current portion operating lease liability (Note 15)	19,277	12,500
TOTAL CURRENT LIABILITIES	765,141	462,206
LONG-TERM LIABILITIES:		
Tenant's security deposit (Note 5)	18,171	30,000
Long-term grants payable (Note 11)	140,000	-
Operating lease liability (Note 15)	90,942	107,406
Long-term debt - net of current maturities (Note 12)	123,102	406,730
TOTAL LONG-TERM LIABILITIES	372,215	544,136
TOTAL LIABILITIES	1,137,356	1,006,342
COMMITMENTS (NOTE 13)		
NET ASSETS (NOTE 14):		
Without donor restrictions:		
Undesignated	4,284,309	4,149,334
Designated fund	314,807	312,935
With donor restrictions	655,195	25,000
TOTAL NET ASSETS	5,254,311	4,487,269
	\$ 6,391,667	\$ 5,493,611

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	\$ 2,250,185	\$ 655,195	\$ 2,905,380
In-kind donations (Note 10)	55,440	-	55,440
Rental income (Note 5)	337,389	-	337,389
Other income	39,534	-	39,534
	<u>2,682,548</u>	<u>655,195</u>	<u>3,337,743</u>
Net assets released from restrictions (Note 14)	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>2,707,548</u>	<u>630,195</u>	<u>3,337,743</u>
EXPENSES:			
Program services	<u>2,082,173</u>	<u>-</u>	<u>2,082,173</u>
Supporting activities:			
Management and general	231,331	-	231,331
Fundraising	<u>257,197</u>	<u>-</u>	<u>257,197</u>
Total supporting activities	<u>488,528</u>	<u>-</u>	<u>488,528</u>
TOTAL EXPENSES	<u>2,570,701</u>	<u>-</u>	<u>2,570,701</u>
CHANGE IN NET ASSETS	136,847	630,195	767,042
NET ASSETS, beginning of year	<u>4,462,269</u>	<u>25,000</u>	<u>4,487,269</u>
NET ASSETS, end of year	<u>\$ 4,599,116</u>	<u>\$ 655,195</u>	<u>\$ 5,254,311</u>

See accompanying notes to financial statements.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
STATEMENT OF ACTIVITIES
YEAR ENDED JULY 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	\$ 2,032,720	\$ -	\$ 2,032,720
Rental income (Note 5)	366,355	-	366,355
Other income	41,574	-	41,574
	<u>2,440,649</u>	<u>-</u>	<u>2,440,649</u>
Net assets released from restrictions (Note 14)	<u>178,437</u>	<u>(178,437)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>2,619,086</u>	<u>(178,437)</u>	<u>2,440,649</u>
EXPENSES:			
Program services	<u>1,729,457</u>	<u>-</u>	<u>1,729,457</u>
Supporting activities:			
Management and general	135,589	-	135,589
Fundraising	<u>257,470</u>	<u>-</u>	<u>257,470</u>
Total supporting activities	<u>393,059</u>	<u>-</u>	<u>393,059</u>
TOTAL EXPENSES	<u>2,122,516</u>	<u>-</u>	<u>2,122,516</u>
CHANGE IN NET ASSETS	496,570	(178,437)	318,133
NET ASSETS , beginning of year	<u>3,965,699</u>	<u>203,437</u>	<u>4,169,136</u>
NET ASSETS , end of year	<u>\$ 4,462,269</u>	<u>\$ 25,000</u>	<u>\$ 4,487,269</u>

See accompanying notes to financial statements.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JULY 31, 2025

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
EXPENSES:				
Grants and project expenses	\$ 1,420,082	\$ -	\$ -	\$ 1,420,082
Salaries and wages	287,044	82,708	116,764	486,516
Education and events	60,112	-	57,960	118,072
Depreciation	110,598	-	-	110,598
Professional fees	361	81,517	150	82,028
Employee benefits	46,539	13,222	19,249	79,010
Office expenses	15,780	14,279	15,868	45,927
Occupancy	22,641	18,113	4,528	45,282
Insurance	28,468	6,062	1,515	36,045
Payroll taxes	20,460	5,895	8,322	34,677
Interest expense	27,854	2,816	-	30,670
Justice promotion	18,009	-	3,019	21,028
Electronic giving fees	-	-	18,431	18,431
Travel	9,913	-	2,478	12,391
Honduras facility expenses	10,450	-	-	10,450
Donor database	-	3,641	3,641	7,282
Conferences and meetings	2,095	-	3,882	5,977
Board meetings	-	3,078	-	3,078
Property taxes	1,767	-	-	1,767
Bank fees	-	-	1,390	1,390
TOTAL EXPENSES	\$ 2,082,173	\$ 231,331	\$ 257,197	\$ 2,570,701

See accompanying notes to financial statements.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JULY 31, 2024

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
EXPENSES:				
Grants and project expenses	\$ 1,052,635	\$ -	\$ -	\$ 1,052,635
Salaries and wages	285,814	53,078	143,318	482,210
Education and events	26,981	-	46,950	73,931
Depreciation	107,298	-	-	107,298
Professional fees	38,524	59,197	-	97,721
Employee benefits	46,629	8,048	22,455	77,132
Office expenses	21,159	4,232	15,769	41,160
Occupancy	1,055	217	588	1,860
Insurance	14,884	1,796	4,850	21,530
Payroll taxes	19,335	3,380	10,061	32,776
Interest expense	41,036	-	-	41,036
Justice promotion	6,176	-	540	6,716
Electronic giving fees	7,585	1,730	3,992	13,307
Travel	6,916	1,427	3,854	12,197
Honduras facility expenses	44,258	-	-	44,258
Donor database	4,646	959	2,589	8,194
Conferences and meetings	2,333	-	1,617	3,950
Board meetings	342	71	887	1,300
Property taxes	1,844	-	-	1,844
Bank fees	7	1,454	-	1,461
TOTAL EXPENSES	\$ 1,729,457	\$ 135,589	\$ 257,470	\$ 2,122,516

See accompanying notes to financial statements.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
STATEMENTS OF CASH FLOWS

	Year Ended July 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 767,042	\$ 318,133
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Noncash reconciling items:		
Depreciation expense	110,598	107,298
Loss on disposal of property and equipment	3,431	-
Donated property and equipment	(55,440)	-
Gain on investments	(7,501)	(13,220)
Changes in operating assets and liabilities:		
Unconditional promises to give	(357,567)	177,381
Beneficial interest in estate	(273,000)	-
Rent receivables	18,171	(18,171)
Prepaid expenses	(9,158)	127
Accounts payable	18,314	(2,273)
Accrued expenses	885	(25,093)
Grants payable	363,335	(78,334)
Security deposit	(11,829)	-
Deferred event revenue	39,875	(92,229)
Net cash provided by operating activities	<u>607,156</u>	<u>373,619</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from distribution of investments	56,901	2,588
Purchase of investments and dividends reinvested	(12,272)	(51,744)
Purchase of furniture and fixtures	-	(3,431)
Net cash used in investing activities	<u>44,629</u>	<u>(52,587)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	<u>(269,879)</u>	<u>(256,796)</u>
CHANGE IN CASH AND RESTRICTED DEPOSITS	381,906	64,236
CASH AND RESTRICTED DEPOSITS, beginning of year	<u>627,704</u>	<u>563,468</u>
CASH AND RESTRICTED DEPOSITS, end of year	<u>\$ 1,009,610</u>	<u>\$ 627,704</u>

Supplemental disclosure of cash flow information (Note 4).

See accompanying notes to financial statements.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - THE ORGANIZATION

Association for a More Just Society - U.S. (dba ASJ-US) (Association), a not-for-profit corporation, was incorporated on June 23, 2000. The Association's U.S. office is located in Grand Rapids, Michigan. The Association is a Christian organization working to achieve social justice for the poorest and most vulnerable members of Honduran society by targeting macro level issues of injustice. The Association is primarily supported by contributions from the general public.

The objectives of the Association include promoting the interest of the most vulnerable Hondurans in legislative projects, defending their rights in judicial processes, increasing the awareness and democratic participation of churches to practice the Biblical teachings on justice, and publishing journalistic investigations on issues that affect Honduras. Current programs focus on promoting peace, justice, and the transformation of society and government in Honduras. A significant portion of the operations of the Association is dedicated to supporting our partner organization the Asociación Para Una Sociedad Más Justa (ASJ-Honduras), based in Tegucigalpa, Honduras.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Association reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Foreign Currency

Substantially all transactions occurring at the Association's foreign activities are translated at exchange rates in effect when purchased and incurred. Substantially all foreign transactions are paid on demand causing no foreign currency translation gains and losses upon payment of liabilities and purchased assets.

Note 2 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue

Contributions

The Association recognizes contributions when cash, securities or other assets; unconditional promises to give; or a notice of beneficial interest is received. Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or the nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the support is recognized. Contributions of cash restricted to the purchase or construction of property and equipment are reported as net assets with donor restrictions and are considered to expire when the assets are placed in service. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In-kind Donations

Noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Association's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Association. If an asset is provided that does not allow the Association to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or other method depending on the type of asset.

Revenue

Rental income from operating leases is recognized on a straight-line basis over the lease term.

Contributions Receivable

The Association has received unconditional promises to give arising from pledges from individual donors which are recorded as contributions receivable in the statements of financial position. Unconditional promises to give are recognized as revenues or gains in the period received and as either assets or decreases of liabilities or expenses depending on the form of the benefits received. Unconditional promises to give are initially recorded at fair value and are stated net of an allowance for estimated uncollectible promises based on historical experience and other factors. Conditional promise to give (that is, those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend are met. Promises to give at year end are deemed to be implicitly restricted for a subsequent period.

Note 2 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable (continued)

The amount of the receivable is based on an estimate of future cash flows and due to unknown factors affecting individual donors and grantors, it is possible that the estimated future cash flows of the contribution receivable could increase or decrease by a significant amount in the near term.

Management has evaluated contributions receivable for collectability and no allowance for uncollectible amounts was established as management deems them to be fully collectible.

Investments

Investments are stated at fair market value. The method used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments would result in a different fair value measurement at the reporting date.

The Association's investment funds are held in a Member Asset Management Fund (Fund) at the Barnabas Foundation. The Fund has several sub-funds which are simple pooled accounts for investment purposes. The fair value of pooled funds have been estimated using the net asset value per share (NAV) as reported by management of the common trust fund. Accounting standards provide for the use of NAV as a practical expedient for estimating fair value.

Income and Sales Tax

The Association is exempt from federal income taxes as a non-profit organization under Internal Revenue Code Section 501(c)(3) and applicable state law. In addition, the Association qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under section 509(a)(2). Management believes that the Association does not have any uncertain tax positions that would be material to the financial statements.

Note 2 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income and Sales Tax (continued)

The Association is obligated to pay 15% sales tax in Honduras on all rental income collected from non-exempt Honduran entities. This amount is collected from the lessee concurrently with the payment of rent. Whenever the Association pays this same sales tax to other vendors in Honduras for separate services, they may reduce their obligation to the Honduran government by an equal amount. The net amount is paid by the Association to the Honduran government before the 15th of the month following the one in which rent is collected.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. While management believes it has consistently applied its best judgement in those areas requiring estimates, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair value at time acquired, if donated. The Association capitalizes individual assets if the value of the item exceeds \$5,000. Significant additions and betterments are capitalized. Expenditures for maintenance, repairs, and minor renewals are charged to operations as incurred. Depreciation is computed on the straight-line method over their estimated economic useful lives of the assets.

Donated Services

The value of certain donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers, including board members, have donated amounts of their time to the Association's operations.

Advertising Costs

The Association expenses advertising costs as they are incurred.

Leases

For leases with a lease term greater than one year, the entity recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The entity determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration of one year or less are recognized as expense.

Note 2 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Methods Used for Allocation of Expenses Among Program and Supporting Services

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office expenses and occupancy, which are allocated on the basis of usage, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Subsequent Events

For the year ended July 31, 2025, the Association has evaluated subsequent events for potential recognition and disclosure through December 11, 2025, the date the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Association's financial assets available for general expenditure within one year, reduced by amounts not available for general use because of board designations, contractual or donor-imposed restrictions:

	July 31,	
	2025	2024
Cash and restricted deposits	\$1,009,610	\$ 627,704
Investments	275,807	312,935
Unconditional promises to give	382,195	24,628
Beneficial interest in estate	273,000	-
Rent receivable	-	18,171
Total financial assets	1,940,612	983,438
Less amounts unavailable for general expenditure within one year due to:		
Contractual obligations	(18,171)	(30,000)
Donor imposed time restrictions of greater than one year	(197,195)	-
Donor imposed purpose restrictions	(233,288)	(25,000)
Board designated building repair fund	(285,121)	(277,900)
Board designated legacy gifts to be used in more than one year	(24,453)	(27,934)
Financial assets available for general use within one year	\$1,182,384	\$ 622,604

Note 3 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

Because donor restrictions require resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors. Thus, a portion of financial assets are not available for general expenditure within one year. Financial assets available for general use exclude board designated funds that are intended to be used for legacy fund in more than one year and therefore are not available for general use in the current period. In the event that an unanticipated need arises, the board designated funds could be made available for general expenditures.

As part of the Association's liquidity management, the Association structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Board has established an emergency fund policy to maintain cash reserves equal to three months' operating expenses plus a portion of current payments debt, which is approximately \$420,000 - \$510,000. The emergency fund may go below the three-month reserve with finance committee approval and board notification.

NOTE 4 - CASH AND RESTRICTED DEPOSITS

Restricted Deposits

The Association holds tenant security deposits in a Honduran bank account equal to the amount of the full security deposit in Honduran lempira. The amount of the security deposit was \$18,171 and \$30,000 at July 31, 2025 and 2024, respectively.

Disclosure of Cash Flow Information

The following table provides a reconciliation of cash, restricted deposits and capital campaign cash reported within the statements of financial position of that sum to the total of the same such amount shown in the statements of cash flows:

	<u>July 31,</u>	
	<u>2025</u>	<u>2024</u>
Cash	\$ 991,439	\$ 597,704
Restricted deposits	<u>18,171</u>	<u>30,000</u>
	<u>\$1,009,610</u>	<u>\$ 627,704</u>

Note 4 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 4 - CASH AND RESTRICTED DEPOSITS (CONTINUED)

The following are supplemental disclosures to the statements of cash flows:

	Year Ended July 31,	
	2025	2024
Cash paid for interest:		
Interest expense	\$ 30,670	\$ 41,036
Interest accrued	969	869
	\$ 31,639	\$ 41,905

NOTE 5 - RENTAL INCOME

The Association leases a building to a partner organization in Honduras under an operating lease which is negotiated annually as a one-year lease with a security deposit of \$18,171. The lease price is \$18,171 per month and requires quarterly payments of \$54,513 effective January 1, 2025 and 2024.

Included in rental income is rental of event space at the Honduras building to various individuals and entities. Event space rental totaled \$119,337 and \$89,162 for the years ended July 31, 2025 and 2024, respectively.

NOTE 6 - RISK CONCENTRATION

Cash

In the normal course of business, the Association may have on deposit with a single institution in excess of FDIC insured limits. While cash balances at times may exceed the amount guaranteed by the Federal Deposit Insurance Corporation (FDIC), the Association has not experienced, nor does it anticipate, any loss of funds. Additionally, the Association has cash accounts in Honduras that are covered by Honduras deposit insurance (FOSEDE).

Foreign Operations

A significant portion of the operations of the Association is dedicated exclusively to raising funds and awareness for Asociación Para Una Sociedad Mas Justa, based in Tegucigalpa, Honduras. A significant amount of the Association’s activities are located in Honduras. It is reasonably possible that operations could be disrupted at any time.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 7 - INVESTMENTS

The Association utilizes Barnabas Foundation Member Asset Management for its investment portfolio. The Association receives units or shares in the pool and may withdraw or purchase additional shares at net asset value. Investments in the Fund can be withdrawn at the beginning of each month and income earned on each sub-fund is allocated pro rata among participants on a monthly basis. For purposes of entry to and exit from each sub-fund, unrealized gains and losses are taken into account to adjust the assets to market value. Fees paid to outside investment managers and consultants, and transaction costs are charged against income of each sub-fund. Amounts charged by Barnabas Foundation are assessed to each individual account within the Fund to reimburse Barnabas Foundation for its asset management and administrative expenses.

Investments that are measured at fair value using NAV per share as a practical expedient are as follows:

	Fair Value July 31,	
	2025	2024
Barnabas Foundation Member Asset Management Fund:		
Cash Equivalent Fund	\$ 5,096	\$ 2,642
Barnabas Long-Term Growth Fund	25,075	33,275
Barnabas Income Fund	245,636	277,018
	\$ 275,807	\$ 312,935

The Association had no unfunded commitments at July 31, 2025 and 2024. Investments can be redeemed from Barnabas Foundation Common Trust Fund at the beginning of each month. There are generally no other redemption restrictions associated with the fund. The investment strategy for each fund is as follows:

Cash Equivalent Fund – Invests in money market and similar liquid investments. The objective of the fund is to provide income on cash reserves while preserving capital.

Barnabas Long-Term Growth Fund – Invests in a diversified set of asset classes including international and U.S. Equities, emerging market equity securities, private debt and equity securities, U.S. Treasury Inflation-Protected Securities (TIPS), diversified fixed income, diversified alternatives, and core bonds. The fund can invest up to 18% in illiquid investments. The investment objective is to generate long-term capital appreciation similar to a portfolio of 60% stocks and 40% bonds. The fund is utilized for accounts that anticipate expending funds over an extended period of time, such as fifteen years or longer.

Note 7 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 7 - INVESTMENTS (CONTINUED)

Barnabas Income Fund – Invests in a diversified set of asset classes, with an emphasis on fixed income and credit securities, which comprises more than 80% of the fund. The fund can invest up to 4% in illiquid investments. The fund is intended for investments which will be expended within three to five years.

Investment income is included in other income and is comprised of:

	Year Ended July 31,	
	2025	2024
Ordinary income	\$ 9,034	\$ 8,007
Realized gain(loss)	307	(1,332)
Unrealized gain	7,194	14,552
	\$ 16,535	\$ 21,227

NOTE 8 - UNCONDITIONAL PROMISES TO GIVE

The Association has received pledges for general operating support and special projects. Contributions receivable are recorded net of a present value discount factor of 0.3% and are expected to be fully collectible. The amount of the receivable is based on an estimate of future cash flows and due to unknown factors affecting individual donors, it is possible that the estimated future cash flows of contributions receivable could increase or decrease by a significant amount in the near term. Management believes that the asset value reflected in the statements of financial position approximates the fair value of these receivables at year end.

Pledges are presented in the statement of position with the following restrictions at their net present value:

	July 31,	
	2025	2024
General operating support	\$ 148,907	\$ -
Honduras leadership support	134,016	24,628
Honduras grants and projects	99,272	-
	\$ 382,195	\$ 24,628

Note 8 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 8 - UNCONDITIONAL PROMISES TO GIVE (CONTINUED)

Pledges receivable are expected to be collected as follows:

	July 31,	
	2025	2024
Amounts due in:		
One year or less	\$ 185,000	\$ 25,000
Two to five years	200,000	-
	385,000	25,000
Less present value discount	(2,805)	(372)
Net present value of contributions receivable	\$ 382,195	\$ 24,628

NOTE 9 - BENEFICIAL INTEREST IN ESTATE

The Association is a qualified beneficiary of an irrevocable trust established under an estate plan. The trust holds marketable securities and other investments. The Association has recorded an asset of \$273,000 representing its beneficial interest in the trust, measured at fair value based upon trustee reports. Distribution of trust assets is expected in the next twelve to eighteen months and will provide general operating support to the Association.

NOTE 10 - PROPERTY AND EQUIPMENT

Association for a More Just Society - US constructed a building in Tegucigalpa which is the primary office space for the growing staff of the Association’s partner organization the Asociación para una Sociedad Más Justa. More than an office, this building is a home for those who seek justice and those who are working to achieve it – it is a space where leaders in government, civil society, and social movements can convene around the big ideas that will transform Honduras. This building is a safe and permanent space, a visible commitment to Honduras and the Association’s work.

Note 10 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 10 - PROPERTY AND EQUIPMENT (CONTINUED)

Property and equipment consists of the following:

	July 31,	
	2025	2024
Located in Tegucigalpa, Honduras:		
Land	\$ 720,020	\$ 720,020
Building	4,114,037	4,114,037
Equipment	36,202	36,202
Furniture	55,440	-
Located in Grand Rapids, Michigan:		
Leasehold improvements	-	3,431
	4,925,699	4,873,690
Less accumulated depreciation	(602,382)	(491,784)
Net property and equipment	\$4,323,317	\$4,381,906

During the year end July 31, 2025, the Association received an in-kind donation of furniture to be used at its Honduras facilities and valued at \$55,440.

NOTE 11 - GRANTS PAYABLE

The Association has awarded grants in support of Asociación para una Sociedad Más Justa, a Honduran organization, in the amount of \$1,416,400 and \$1,044,000 for the years ended July 31, 2025 and 2024, respectively, of which \$533,335 and \$170,000 is payable at year-end July 31, 2025 and 2024, respectively. Grants payable are expected to be paid as follows:

	July 31,	
	2025	2024
Amounts payable in:		
One year or less	\$ 393,335	\$ 170,000
Two to three years	140,000	-
	\$ 533,335	\$ 170,000

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 12 - NOTES PAYABLE

The Association has notes payable for the purpose of generating additional capital to fund the building in Honduras. Notes payable consist of:

	July 31,	
	2025	2024
Unsecured note payable (nonrecourse term loan) to seven individuals requiring quarterly payments beginning October 2019, bearing interest at 5% and maturing April 2026.	\$ 166,492	\$ 324,914
Unsecured note payable (nonrecourse term loan) to an individual requiring quarterly payments beginning October 2020, bearing interest at 5% and maturing April 2027.	<u>240,238</u>	<u>351,695</u>
	<u>406,730</u>	<u>676,609</u>
Less current maturities	<u>(283,628)</u>	<u>(269,879)</u>
	<u>\$ 123,102</u>	<u>\$ 406,730</u>

Notes payable include \$248,909 and \$368,616 at July 31, 2025 and 2024, respectively, payable to individuals who serve as directors of the Association.

Future scheduled maturities of long-term debt are as follows:

Year ending July 31:	Total Principal Amount Due
2026	\$ 283,628
2027	<u>123,102</u>
	<u>\$ 406,730</u>

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 13 - COMMITMENTS

Retirement Plans

The Association has established a SIMPLE IRA plan which allows for matching contributions up to 3% of compensation paid to U.S. employees, and has a similar plan allowing for matching contributions up to 3.5% of compensation paid to Honduran employees. Contributions and administrative expenses of the plans were \$9,848 and \$7,578 for the years ended July 31, 2025 and 2024, respectively.

Self-Insured State Unemployment Fund

In accordance with state law, Association for a More Just Society has elected to be a reimbursing employer for state unemployment tax purposes. In lieu of quarterly tax contributions, the Association will reimburse the state dollar for dollar for all unemployment claims made. State law requires the establishment of a letter of credit or surety bond as guarantee of payment under this program.

NOTE 14 - NET ASSETS

Board Designated Net Assets

The Association has two board designated funds: Legacy fund and Repair fund. The Board has a policy to set aside unrestricted estate gifts into a legacy program where the funds are stewarded through a seven-year spend-down program utilizing 10% of the funds in the year an estate gift is received and 15% of the funds in each of the following six years. The Board also has a policy to set aside funds for future repairs of the Honduras building.

Board designated net assets are available as follows:

	July 31,	
	2025	2024
Legacy fund	\$ 29,686	\$ 35,035
Repair fund	285,121	277,900
	\$ 314,807	\$ 312,935

Note 14 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 14 - NET ASSETS (CONTINUED)

Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	July 31,	
	2025	2024
Purpose restricted:		
Honduras leadership support	\$ 134,016	\$ 25,000
Honduras grants and projects	99,272	-
Time restricted:		
Unconditional promises to give - implicitly restricted for subsequent period	148,907	-
Beneficial interest in estate	273,000	-
	\$ 665,195	\$ 25,000

Net Assets Released from Restriction

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows:

	Year ended July 31,	
	2025	2024
Satisfaction of purpose restrictions:		
Honduras leadership support	\$ 25,000	\$ 37,500
Honduras grants and projects	-	33,334
Expiration of time restrictions	-	107,603
	\$ 25,000	\$ 178,437

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 15 - LEASE OBLIGATION

The Association entered into a seven-year lease for office space which commenced on March 5, 2024 and ends on September 1, 2031. The Association obtained access to the property at the start of the lease period to undertake leasehold improvements, thereby initiating the recognition of the lease liability. The lease requires monthly payments of \$1,563, beginning sixty days after occupancy, with a 3% increase annually in September. The lease also requires an additional quarterly charge for certain utilities based on the Association's proportionate share of the actual charges, which are a variable amount and not included in the lease liability. The agreement permits renewal for two additional two-year terms with base rent increases. These renewals are not included in the lease liability, as there was no reasonable certainty that the Association would exercise this option when the lease was originally signed. The Association took occupancy in October 2024; therefore, there was no lease expense under the agreement for the year ended July 31, 2024. The lease expense for the year ended July 31, 2025 was \$9,577.

Future minimum payments required under the operating lease agreement together with its present value as of the year ended July 31, 2025 were as follows:

2026	\$ 19,277
2027	19,848
2028	20,446
2029	21,057
2030 and beyond	<u>44,079</u>
Total lease payments	124,707
Less amount representing interest	<u>(14,488)</u>
Present value of lease liability	<u>\$ 110,219</u>

The discount rate related to the Association's lease liability at July 31, 2025 was 3.60%. The Organization elected to use the risk-free discount rate as a practical expedient, as the discount rate implicit in the Organization's lease cannot be readily determined. The remaining lease term was six years at July 31, 2025.

Note 15 continued on next page.

ASSOCIATION FOR A MORE JUST SOCIETY - U.S.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 15 - LEASE OBLIGATION (CONTINUED)

The following summarizes the line items in the statement of financial position for the Association's operating lease:

	July 31,	
	2025	2024
Operating lease right-of-use assets	\$ 110,329	\$ 119,906
Current portion of operating lease liability	\$ 19,277	\$ 12,500
Operating lease liability	90,942	107,406
Total operating lease liability	\$ 110,219	\$ 119,906

NOTE 16 - JOINT VENTURE

The Association has entered into a non-equity joint venture with two foreign entities to jointly operate activities that contribute to the education of the public in Honduras on issues of corruption, transparency and human rights. The joint venture is effective July 2023 and will continue until August 30, 2027. The agreement can be terminated by any party for any reason with notice no less than one full year from the intended date of termination. Contributions will be made to the joint venture subject to a budgeting process. Upon termination, assets held by the joint venture will be distributed between the parties in proportion to the contributions made by them to the joint venture.

During the years ended July 31, 2025 and 2024, the Association made no contributions to the joint venture and had no significant expenditures. The joint venture had no assets as of July 31, 2025 and 2024.