2025

Rafiki Foundation, Inc.

Financial Statements and Independent Auditor's Report

Years Ended December 31, 2025 and 2024

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2025 AND 2024

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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rafiki Foundation, Inc.
Eustis, Florida

Opinion
We have audited the accompanying financial statements of Rafiki Foundation, Inc. (the Foundation), a non-profit organization, which comprise the statements of financial position as of December 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 the Foundation as of December 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 the Foundation 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 Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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,

To the Board of Directors
Rafiki Foundation, Inc.
Eustis, Florida

INDEPENDENT AUDITOR'S REPORT

therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Purvis Gray

July 30, 2026
Ocala, Florida

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
Current Assets		
Cash and Cash Equivalents - Home Office	$ 3,369,956	$ 4,244,544
Cash and Cash Equivalents - Foreign	82,526	99,826
Total Cash and Cash Equivalents	3,452,482	4,344,370
Accounts Receivable	-	424
Prepaid Assets	135,081	75,262
Inventories	201,291	193,547
Total Current Assets	3,788,854	4,613,603
Non-Current Assets		
Property and Equipment, Net	13,936,675	15,088,124
Contribution Receivable - Charitable Remainder Unitrust	135,540	107,966
Trademark, Net	2	538
Operating Lease Right-of-Use Assets	382,526	320,626
Total Non-Current Assets	14,454,743	15,517,254
Total Assets	18,243,597	20,130,857

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	49,160	68,756
Accrued Expenses	31,238	126,095
Due to Rafiki Classical Academy	9,088	-
Operating Lease Liabilities, Current Portion	172,090	140,885
Total Current Liabilities	261,576	335,736
Long-Term Liabilities		
Operating Lease Liabilities, Less Current Portion	210,436	179,741
Total Long-Term Liabilities	210,436	179,741
Total Liabilities	472,012	515,477
Net Assets		
Without Donor Restrictions	16,004,308	17,918,718
With Donor Restrictions	1,767,277	1,696,662
Total Net Assets	17,771,585	19,615,380
Total Liabilities and Net Assets	$ 18,243,597	$ 20,130,857

The accompanying notes are an integral part of these financial statements.

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA
STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses), and Other Support			
Individual Contributions	$ 5,204,199	$ 5,535,572	$ 10,739,771
Interest Income	51,426	-	51,426
Education and Curriculum Income	-	56,858	56,858
Widows Exchange Operations	-	210,731	210,731
Net Assets Released from Restrictions	5,732,546	(5,732,546)	-
Total Revenues, Gains (Losses), and Other Support	10,988,171	70,615	11,058,786
Functional Expenses			
Program Services	11,721,052	-	11,721,052
Support Services	1,181,529	-	1,181,529
Total Functional Expenses	12,902,581	-	12,902,581
Increase (Decrease) in Net Assets	(1,914,410)	70,615	(1,843,795)
Net Assets, Beginning of Year	17,918,718	1,696,662	19,615,380
Net Assets, End of Year	$ 16,004,308	$ 1,767,277	$ 17,771,585

The accompanying notes are an integral part of these financial statements.

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA
STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses), and Other Support			
Individual Contributions	$ 4,866,280	$ 5,159,576	$ 10,025,856
Interest Income	93,182	-	93,182
Education and Curriculum Income	-	74,849	74,849
Widows Exchange Operations	-	200,648	200,648
Net Assets Released from Restrictions	5,649,473	(5,649,473)	-
Total Revenues, Gains (Losses), and Other Support	10,608,935	(214,400)	10,394,535
Functional Expenses			
Program Services	10,937,135	-	10,937,135
Support Services	1,063,165	-	1,063,165
Total Functional Expenses	12,000,300	-	12,000,300
Increase (Decrease) in Net Assets	(1,391,365)	(214,400)	(1,605,765)
Net Assets, Beginning of Year	19,310,083	1,911,062	21,221,145
Net Assets, End of Year	$ 17,918,718	$ 1,696,662	$ 19,615,380

The accompanying notes are an integral part of these financial statements.

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Support			Program	
	Fund-Raising	Management and General	Total Support Services	Program Services	Total Support and Program Services
Functional Expenses					
Bank and Investment Fees	$ -	$ 80,447	$ 80,447	$ -	$ 80,447
Computer	7,799	53,184	60,983	93,146	154,129
Education	43,328	-	43,328	997,990	1,041,318
Food Services	4,014	4,817	8,831	7,225	16,056
Fundraising	80,233	-	80,233	-	80,233
Insurance	22,380	52,220	74,600	74,600	149,200
Mini-Missions	-	-	-	257,111	257,111
Miscellaneous	2,157	1,741	3,898	34,398	38,296
Missionary Field Expenses	6,684	5,396	12,080	532,525	544,605
Office Supplies	2,870	2,317	5,187	10,893	16,080
Postage and Shipping	3,474	13,895	17,369	58,395	75,764
Printing and Publishing	2,777	5,554	8,331	47,211	55,542
Professional Services	8,335	14,048	22,383	39,035	61,418
Projects	-	-	-	8,960	8,960
Property Taxes	-	6,538	6,538	-	6,538
Rent - Equipment	1,532	6,127	7,659	22,976	30,635
Repairs and Maintenance	13,716	11,073	24,789	52,052	76,841
RICE Program	-	-	-	254,817	254,817
Salaries and Related Expenses	262,873	212,213	475,086	2,248,995	2,724,081
Security Services	1,073	866	1,939	4,070	6,009
Telephone	3,082	2,488	5,570	11,695	17,265
Travel	3,396	6,793	10,189	78,528	88,717
Utilities	8,557	6,908	15,465	32,472	47,937
Vehicles	311	251	562	1,179	1,741
Villages, Children, and Schools	-	-	-	5,259,207	5,259,207
Widows Exchange	-	-	-	211,834	211,834
Total Functional Expenses Before Depreciation and Amortization	478,591	486,876	965,467	10,339,314	11,304,781
Depreciation and Amortization	536	215,526	216,062	1,381,738	1,597,800
Total Functional Expenses	$ 479,127	$ 702,402	$ 1,181,529	$ 11,721,052	$ 12,902,581

The accompanying notes are an integral part of these financial statements.

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Support			Program	
	Fund-Raising	Management and General	Total Support Services	Program Services	Total Support and Program Services
Functional Expenses					
Bank and Investment Fees	$ -	$ 76,306	$ 76,306	$ -	$ 76,306
Computer	6,458	40,494	46,952	71,755	118,707
Education	49,480	-	49,480	799,541	849,021
Entertainment/Accommodations	88	105	193	158	351
Food Services	3,495	4,194	7,689	6,292	13,981
Fundraising	41,249	-	41,249	-	41,249
Insurance	17,828	41,599	59,427	59,427	118,854
Mini-Missions	-	-	-	228,142	228,142
Miscellaneous	3,493	3,331	6,824	37,309	44,133
Missionary Field Expenses	740	706	1,446	529,949	531,395
Office Supplies	2,403	2,292	4,695	10,991	15,686
Postage and Shipping	3,060	12,238	15,298	51,547	66,845
Printing and Publishing	4,453	8,426	12,879	71,619	84,498
Professional Services	7,890	13,502	21,392	40,262	61,654
Projects	-	-	-	8,960	8,960
Property Taxes	-	9,346	9,346	-	9,346
Rent - Equipment	1,270	5,081	6,351	19,055	25,406
Repairs and Maintenance	14,506	13,834	28,340	66,346	94,686
RICE Program	-	-	-	289,083	289,083
Salaries and Related Expenses	219,367	209,201	428,568	2,168,495	2,597,063
Security Services	1,755	1,674	3,429	8,028	11,457
Telephone	2,487	2,372	4,859	11,375	16,234
Travel	3,277	6,554	9,831	89,734	99,565
Utilities	6,314	6,022	12,336	28,880	41,216
Vehicles	109	104	213	500	713
Villages, Children, and Schools	-	-	-	4,739,837	4,739,837
Widows Exchange	-	-	-	187,173	187,173
Total Functional Expenses Before Depreciation and Amortization	389,722	457,381	847,103	9,524,458	10,371,561
Depreciation and Amortization	536	215,526	216,062	1,412,677	1,628,739
Total Functional Expenses	$ 390,258	$ 672,907	$ 1,063,165	$ 10,937,135	$ 12,000,300

The accompanying notes are an integral part of these financial statements.

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities		
Cash Received from Donors	$ 10,712,621	$ 10,009,515
Interest Received	51,426	93,182
Cash Received from Education and Curriculum	56,858	74,849
Cash Used for Widows Exchange Operations	(8,847)	(28,819)
Cash Used for Employees, Supplies, and Vendors	(11,258,133)	(10,152,222)
Net Cash Provided by (Used in) Operating Activities	(446,075)	(3,495)
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(297,112)	(473,300)
Construction in Progress	(148,701)	(98,795)
Net Cash Provided by (Used in) Investing Activities	(445,813)	(572,095)
Net Increase (Decrease) in Cash and Cash Equivalents	(891,888)	(575,590)
Cash and Cash Equivalents, Beginning of Year	4,344,370	4,919,960
Cash and Cash Equivalents, End of Year	$ 3,452,482	$ 4,344,370
Reconciliation in Increase (Decrease) of Net Assets to Net Cash Provided by (Used in) Operating Activities		
Decrease in Net Assets	$ (1,843,795)	$ (1,605,765)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	1,597,800	1,628,739
Changes in Assets and Liabilities Affecting Operations:		
Accounts Receivable and Other Current Assets	424	(424)
Inventories	(7,744)	(42,295)
Prepaid Assets	(59,821)	(9,334)
Contribution Receivable - Charitable Remainder Unitrust	(27,574)	(15,917)
Accounts Payable and Accrued Expenses	(114,453)	54,477
Due to Related-Party	9,088	(12,976)
Net Cash Provided by (Used in) Operating Activities	$ (446,075)	$ (3,495)
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Construction in Progress Transfers	$ 1,900	$ -
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	$ 205,456	$ -

The accompanying notes are an integral part of these financial statements.

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note 1 - Summary of Significant Accounting Policies

Organization and Purpose
Rafiki is a Swahili word meaning "friend". Rafiki Foundation, Inc. (the Foundation) is a not-for-profit corporation and was established to befriend the needy in developing countries in Africa spiritually, educationally, and physically. The Foundation established Rafiki Villages in ten African countries and sends qualified individuals to serve in these centers. The Foundation's goal is to help Africans know God and raise their standard of living with excellence and integrity. This is achieved through six programs: Bible study, Christian classical education, orphan care, outreach, a widows program, and teacher training.

Basis of Presentation
The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, support and revenue, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions—**Net assets that are not subject to donor-imposed stipulations. Assets restricted solely through actions of the Board are reported as net assets without donor restrictions.

- **Net Assets With Donor Restrictions—**Net assets that are subject to donor-imposed stipulations. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the assets be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. 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 statement of activities as net assets released from restrictions.

Cash and Cash Equivalents
For purposes of the cash flow statements, the Foundation includes cash accounts and highly liquid investments with original maturities of three months or less as cash and cash equivalents. The Foundation provides quarterly funding to its African Villages. There were no deposits in excess of federally insured limits related to the Home Office as of December 31, 2025 and 2024, respectively. The Foundation maintains cash balances in banks overseas for its African Villages of $82,526 and $99,826 as of December 31, 2025 and 2024, respectively. These balances are not insured by the Federal Deposit Insurance Corporation. The Foundation has not experienced any loss in these accounts.

Receivables and Credit Losses
No allowance for credit losses has been established as of December 31, 2025 and 2024, as it is management's opinion that no losses will be incurred.

Inventories
Inventories consist of primarily products made by widows in Africa for sale in the Exchange shop and online. Inventories are stated at the lower of cost or net realizable value. Provisions, when required, are made to reduce excess and obsolete inventories to net realizable value.

Property and Equipment
Depreciation of property and equipment is provided over the estimated useful lives (3 to 40 years) of the respective assets on a straight-line basis. Acquisitions of property and equipment in excess of $1,000 are capitalized. Property and equipment are valued at cost with the exception of certain contributed furniture, equipment, and vehicles, which are stated at the fair market value at the date the contributions were received.

Beneficial Interest in Split Interest Agreement
The Foundation is a beneficiary of the remainder interest in a charitable remainder trust fund, which is held by a third-party as trustee. The Foundation has recorded the contribution and beneficial interest related to this trust fund at fair value, which is estimated as the net present value of the estimated future amount to be received.

Donated Goods and Services
A substantial amount of goods and services has been contributed to the Foundation to help carry out its activities. The value of these contributions is not recorded in the accompanying financial statements since it is generally not susceptible to objective measurement or valuation.

Functional Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Leases
Effective January 1, 2022, the Foundation adopted Accounting Standards Update 2016-02, *Leases* (ASC 842). The standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of financial position. Leases with a term of less than 12 months (short-term lease) do not result in the recognition of an ROU asset and lease liability, and the payments are recognized as operating expense on a straight-line basis over the lease term.

Education and Curriculum
The Foundation prints and sells education and curriculum material through its online store. Revenues earned are recorded as earned at the time of purchase and are shown on the statement of activities.

Exchange Operations
The Foundation purchases handcrafts from its widows program and sells the products in its stores and online to provide support for the widows program. Revenues earned are recorded as earned at the time of purchase and are shown on the statement of activities.

Shipping and Handling Costs
The Foundation classifies all freight paid for Exchange shop purchases as cost of sales in the period incurred.

Exchange Rates
Foreign operations have been converted to U.S. dollars for purposes of presenting financial statements. Exchange rate gains and losses as a result of conversion to dollars are included in the Foundation's expenses.

Income Taxes
The Foundation is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has been classified as an organization other than a private foundation under the Internal Revenue Code.

The Foundation's Form 990, Return of Organization Exempt from Income Tax is subject to examination by the Internal Revenue Service, generally for three years after filing.

Use of Estimates
The preparation of financial statements in conformity GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review
Management has evaluated subsequent events through July 30, 2026, the date on which the financial statements were available to be issued.

Note 2 - Conditional Promises to Give

Foundation missionaries ask members of their church, families, and others to submit pledge cards with donations they intend to give to support their mission for a period of two or three years while overseas. These pledges are contingent upon the fact that the missionaries stay with the Foundation for the completion of their term of service, and as such do not meet the criteria for revenue recognition under GAAP and are not reflected as contributions in the statement of activities until pledges are collected.

Note 3 - Property and Equipment

Property and equipment as of December 31, 2025 and 2024, are as follows:

	2025	2024
Land	$ 2,038,386	$ 2,038,386
Buildings and Improvements – Foreign Countries	30,804,683	30,526,638
Buildings and Improvements – Home Office	5,778,292	5,774,292
Furniture and Equipment	1,585,198	1,578,849
Vehicles	471,824	461,204
Construction in Progress – Home Office	247,510	98,809
Construction in Progress – Foreign Countries	-	1,900
	40,925,893	40,480,078
Less Accumulated Depreciation	(26,989,218)	(25,391,954)
Net Property and Equipment	$ 13,936,675	$ 15,088,124

Depreciation expense was $1,597,264 and $1,628,203 for the years ended December 31, 2025 and 2024, respectively.

Note 4 - Trademark

The Foundation capitalized costs of $8,042 associated with obtaining a trademark. The trademark is amortized over 15 years. Amortization expense was $536 for the years ended December 31, 2025 and 2024.

Note 5 - Charitable Remainder Unitrust

During 2005, a donor established a trust with a brokerage firm naming the Foundation as a 50% beneficiary of a charitable remainder unitrust. Under terms of the split-interest agreement, the donor will receive 5% of the net fair market value of the assets annually until the donor's death. At the time of the donor's death, the trust is to terminate, and the remaining trust assets are to be distributed to the beneficiaries. Based on the donor's life expectancy and a 5% discount rate, the present value of future benefits expected to be received by the Foundation was estimated to be $135,540 and $107,966 as of December 31, 2025 and 2024, respectively. Holding gains and losses are recorded as contributions without donor restrictions.

The following table sets forth a summary of changes in the fair value of the split interest agreement, which is a Level 3 asset, for the years ended December 31, 2025 and 2024.

Balance as of December 31, 2023	$ 92,049
Total Gains (Unrealized and Realized), Net of Fees	15,917
Balance as of December 31, 2024	107,966
Total Gains (Unrealized and Realized), Net of Fees	27,574
Balance as of December 31, 2025	$ 135,540

Note 6 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and significant to fair value measurement and have the lowest priority. See Note 5 for a summary of the change in value for Level 3 inputs related to the Charitable Remainder Unitrust. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Fair value of investments as of December 31, 2025 and 2024, are as follows:

	Fair Values as of December 31, 2025			
	Fair Value	Level 1	Level 2	Level 3
Charitable Remainder Unitrust	$ 135,540	$ -	$ -	$ 135,540
Total	$ 135,540	$ -	$ -	$ 135,540

	Fair Values as of December 31, 2024			
	Fair Value	Level 1	Level 2	Level 3
Charitable Remainder Unitrust	$ 107,966	$ -	$ -	$ 107,966
Total	$ 107,966	$ -	$ -	$ 107,966

Note 7 - Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors during the years ended December 31, 2025 and 2024, as follows:

	2025	2024
Purpose Restrictions Accomplished:		
Children's Centers/Orphan Fund	$ 3,347,641	$ 3,560,087
Curriculum and Teacher's Training	32,728	16,893
10th Presbyterian	8,960	8,960
Mini-Missions	257,111	228,142
Outreach (Missionaries)	2,047,544	1,793,002
Discretionary	542	399
Home Office Construction	21,037	1,450
Village Construction	16,983	40,540
Total	$ 5,732,546	$ 5,649,473

Note 8 - Net Assets

Net assets consist of the following for the years ended December 2025 and 2024:

	2025	2024
Net Assets Without Donor Restrictions:		
Net Investment in Land, Property, and Equipment	$ 13,936,675	$ 15,088,125
Charitable Remainder Unitrust	135,540	107,966
Undesignated, Unrestricted Net Assets	1,932,093	2,722,627
Total Net Assets Without Donor Restrictions	16,004,308	17,918,718
Net Assets with Donor Restrictions:		
Construction – Rafiki Classical Academy	470,818	-
Mini-Missions	167,466	118,792
Outreach (Missionaries)	776,135	1,222,289
Discretionary	79,034	79,576
Rosemary Jensen Bible Foundation	201,875	221,079
Other	71,949	54,926
Total Net Assets With Donor Restrictions	1,767,277	1,696,662
Total Net Assets	$ 17,771,585	$ 19,615,380

Note 9 - Operating Leases

The Foundation leases copying machines, a folding machine, a weighing platform, printers, facilities, and a printing press. The Foundation assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. The Foundation generally accounts for non-lease components, such as maintenance, separately from lease components. Certain leases may include one or more options to renew the term of the lease. Only lease options that the Foundation believes are reasonably certain to be exercised are included in the measurement of ROU assets and lease liabilities.

The Foundation records leases under the ROU model that recognizes an asset and corresponding operating lease liability on the statement of financial position. The Foundation calculates the present value of the lease using the incremental borrowing rate, which is the prime rate at the inception of the lease.

The lease agreements did not contain any residual value guarantees or material restrictive covenants. The weighted average discount rate for the operating leases was 7.37% and 7.50% as of December 31, 2025 and 2024, respectively. The weighted average remaining lease term for the operating leases was 40 months and 27 months at December 31, 2025 and 2024, respectively.

The ROU asset and lease liabilities as of December 31, 2025 and 2024, are as follows:

Leases	Classification	2025	2024
Assets			
Operating Lease Assets	Operating Lease ROU Assets	$ 382,526	$ 320,626
Total Lease Assets		$ 382,526	$ 320,626
Current Liabilities			
Operating Lease Liabilities	Operating Lease Liabilities	$ 172,090	$ 140,885
Total Current Lease Liabilities		$ 172,090	$ 140,885
Long-Term Liabilities			
Operating Lease Liabilities	Operating Lease Liabilities	$ 210,436	$ 179,741
Total Long-Term Lease Liabilities		$ 210,436	$ 179,741

Future maturities of the lease liabilities as of December 31, 2025, are as follows:

Year Ending December 31,	Operating Leases
2026	$ 194,944
2027	89,164
2028	47,464
2029	47,464
Thereafter	55,375
Total Lease Payments	434,411
Less: Imputed Interest	(51,885)
Total Lease Liabilities	$ 382,526

In addition to the folding machine and printing presses, the Foundation leases equipment and facilities that did not fall under the ASC 842 guidance. The Foundation recognizes the lease expense on a straight-line basis.

Rental expenses for these leases were $170,919 and $182,656 for the years ended December 31, 2025 and 2024, respectively. Amounts related to rentals are allocated to education, printing and publishing, and rent - equipment on the statement of functional expenses.

The Foundation recognized $140,885 and $134,644 in amortization expense related to the ROU assets for the years ended December 31, 2025 and 2024, respectively.

Note 10 - Volunteer Services

The impact of volunteer services performed at overseas locations cannot be adequately determined; however, the hours of volunteer services received at headquarters in Eustis, Florida have been determined. In the years ended December 31, 2025 and 2024, approximately 4,269 and 3,353 hours, respectively, were donated in services performed by approximately 65 and 86 volunteers, respectively. These hours do not meet accounting guidelines for valuation and, therefore, have not been recorded on the financial statements.

Note 11 - Related-Party Contributions

Board members and senior staff make voluntary contributions to the Foundation. Total contributions from these related parties were $197,100 and $206,700 for the years ended December 31, 2025 and 2024, respectively.

Note 12 - Rafiki Classical Academy

Rafiki Classical Academy (RCA) operates as a classical Christian school to serve as the model school utilizing the Foundation's classical Christian curriculum. RCA entered into an agreement with the Foundation to lease facilities. Total rental income under this agreement was $18,780 and $13,983 for the years ended December 31, 2025 and 2024, respectively. The Foundation provided services and goods totaling $25,670 and $20,931 for the years ended December 31, 2025 and 2024, respectively. Additionally, the Foundation received funds on behalf of RCA totaling $32,630 and transferred $23,542 to RCA during the year ended December 31, 2025. The remaining balance of $9,088 was shown as Due to Rafiki Classical Academy as of December 31, 2025. The Foundation received funds on behalf of RCA totaling $107,501 and transferred all funds to RCA during the year ended December 31, 2024.

Note 13 - Concentration Risk

The Foundation had two donors that accounted for approximately 20% of total contributions for the year ended December 31, 2025. The Foundation had one donor that accounted for approximately 21% of total contributions for the year ended December 31, 2024. Contributions received from these donors totaled $2,006,000 for the years ended December 31, 2025 and 2024.

Note 14 - Retirement Plan

The Rafiki Foundation, Inc. 401(k) plan is a contributory plan covering substantially all employees and was adopted by the Foundation as of January 1, 2011. Employees are eligible to participate in the plan on the date of hire. The Foundation may make profit-sharing contributions during the plan year. Employees who have completed 1,000 hours of service are eligible for the profit-sharing contribution. No profit-sharing contributions were made for the years ended December 31, 2025 and 2024. The Board elected to make a discretionary contribution to match up to 3% of employee contributions. Matching contributions by the Foundation to the plan were $48,238 and $37,050 for the years ended December 31, 2025 and 2024, respectively. Total expense to maintain the plan was approximately $500 and $250 for the years ended December 31, 2025 and 2024, respectively.

Note 15 - Liquidity

The following reflects the Foundation's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2025 and 2024.

RAFIKI FOUNDATION, INC.
EUSTIS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

	2025	2024
Financial Assets at Year-End	$ 3,587,564	$ 4,420,055
Less those Unavailable for General Expenditures Within One Year, Due to Contractual or Donor-Imposed Restrictions:		
Restricted by Donor with Time or Purpose Restrictions	1,767,277	1,696,662
Charitable Remainder Unitrust Due in More Than One Year	135,540	107,966
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,684,747	$ 2,615,427

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