

AUDIT REPORT ON COMBINED FINANCIAL STATEMENTS

**GLOBAL COMMUNITIES AND
RELATED ENTITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2020
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2019**

GLOBAL COMMUNITIES AND RELATED ENTITIES

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Global Communities and Related Entities
Silver Spring, Maryland

We have audited the accompanying combined financial statements of Global Communities and Related Entities (Global Communities), which comprise the combined statement of financial position as of September 30, 2020, and the related combined statements of activities, functional expenses, change in net assets and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Global Communities as of September 30, 2020, and the combined change in its net assets and its combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Global Communities' 2019 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated March 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Schedule of Functional Expenses Without Related Entities on page 34, the Combining Schedule of Financial Position on page 35, the Combining Schedule of Activities on pages 36 - 37 and the Combining Schedule of Change in Net Assets on pages 38 - 39 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021 on our consideration of Global Communities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Global Communities' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Global Communities' internal control over financial reporting and compliance.



March 18, 2021

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

ASSETS	2020	2019
Cash and cash equivalents	\$ 111,498,095	\$ 73,188,442
Investments	52,294,395	46,188,314
Loans receivable, net of allowances	219,542,090	252,324,442
Federal grants and contracts receivable	5,741,069	6,880,767
Non-Federal grants and contracts receivable	7,962,859	15,276,713
Interest and accounts receivable	10,261,902	4,436,768
Prepaid expenses and other assets	6,302,156	3,626,738
Inventory	731,345	-
Fixed and intangible assets, net	5,015,198	5,571,687
Security deposits	605,152	434,242
TOTAL ASSETS	\$ 419,954,261	\$ 407,928,113
LIABILITIES AND NET ASSETS		
LIABILITIES		
Notes payable	\$ 215,097,543	\$ 207,013,896
Accounts payable and accrued expenses	14,819,783	12,293,811
Accrued salaries and benefits	13,000,050	8,809,547
Refundable advance	1,324,811	2,076,966
Deferred rent	2,431,086	2,232,584
Other liabilities	3,550,587	2,324,963
Funds held in trust	3,570,606	4,799,222
Total liabilities	253,794,466	239,550,989
NET ASSETS		
Without donor restrictions:		
Global Communities	98,339,872	90,821,352
Related Entities:		
Controlling interest	33,433,099	43,199,032
Noncontrolling interest	5,925,879	6,963,608
Total net assets without donor restrictions	137,698,850	140,983,992
With donor restrictions:		
Global Communities:		
Project Funds	12,549,554	25,556,370
Loan Capital	1,836,762	1,836,762
Related Entities:		
Controlling interest	14,074,629	-
Total net assets with donor restrictions	28,460,945	27,393,132
Total net assets	166,159,795	168,377,124
TOTAL LIABILITIES AND NET ASSETS	\$ 419,954,261	\$ 407,928,113

See accompanying notes to combined financial statements.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 104,126,890	\$ 5,455,521	\$ 109,582,411	\$ 94,518,262
Contracts	11,875,697	-	11,875,697	20,750,569
In-kind contributions	804,932	-	804,932	79,112
Interest and investment income	50,965,247	-	50,965,247	59,375,005
Commission income	4,827,193	-	4,827,193	9,047,614
Other income	1,298,403	-	1,298,403	1,085,269
Net assets released from restrictions - satisfaction of donor restrictions	<u>14,405,680</u>	<u>(14,405,680)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>188,304,042</u>	<u>(8,950,159)</u>	<u>179,353,883</u>	<u>184,855,831</u>
EXPENSES				
Program Services:				
Technical Assistance	110,501,427	-	110,501,427	92,913,665
Capital Assistance	<u>58,065,633</u>	<u>-</u>	<u>58,065,633</u>	<u>53,042,979</u>
Total program services	<u>168,567,060</u>	<u>-</u>	<u>168,567,060</u>	<u>145,956,644</u>
Supporting Services:				
General and Administrative	25,483,376	-	25,483,376	21,808,360
Fundraising	<u>267,584</u>	<u>-</u>	<u>267,584</u>	<u>-</u>
Total supporting services	<u>25,750,960</u>	<u>-</u>	<u>25,750,960</u>	<u>21,808,360</u>
Total expenses	<u>194,318,020</u>	<u>-</u>	<u>194,318,020</u>	<u>167,765,004</u>
Change in net assets before other items	(6,013,978)	(8,950,159)	(14,964,137)	17,090,827
OTHER ITEMS				
Gain (loss) on currency translation	85,094	-	85,094	(87,513)
Deobligation of grant funds	-	(4,080,073)	(4,080,073)	-
Loss resulting from write off of investment of related entities	<u>(70,479)</u>	<u>-</u>	<u>(70,479)</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>\$ (5,999,363)</u>	<u>\$ (13,030,232)</u>	<u>\$ (19,029,595)</u>	<u>\$ 17,003,314</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	2020						2019	
	Program Services			Supporting Services			Total Expenses	Total Expenses
	Technical Assistance	Capital Assistance	Total Program Services	General and Administrative	Fundraising	Total Supporting Services		
Salaries and wages	\$ 6,980,405	\$ 980,929	\$ 7,961,334	\$ 12,350,178	\$ 151,839	\$ 12,502,017	\$ 20,463,351	\$ 16,377,275
Fringe benefits	2,117,373	309,776	2,427,149	3,659,336	36,233	3,695,569	6,122,718	5,318,137
Local salaries and fringe	30,839,183	21,444,566	52,283,749	1,918,436	-	1,918,436	54,202,185	49,170,060
Other benefits	1,785,773	58,372	1,844,145	35,031	-	35,031	1,879,176	2,308,360
Printing and production	120,269	94,636	214,905	8,099	22,677	30,776	245,681	233,412
Professional fees	756,668	885,606	1,642,274	990,372	19,510	1,009,882	2,652,156	3,041,827
Occupancy	2,196,300	821,371	3,017,671	1,249,049	207	1,249,256	4,266,927	3,924,669
Security costs	109,314	857,349	966,663	-	-	-	966,663	1,136,223
Insurance	468,269	284,502	752,771	250,295	-	250,295	1,003,066	860,419
Depreciation and amortization	10,529	686,149	696,678	299,373	-	299,373	996,051	908,576
Lease amortization	-	483,446	483,446	166,490	-	166,490	649,936	433,533
Telecommunications	466,287	1,034,433	1,500,720	268,793	-	268,793	1,769,513	1,458,423
Travel	1,434,080	721,842	2,155,922	381,725	26	381,751	2,537,673	3,838,303
Consulting fees	2,645,469	299	2,645,768	1,097,858	9,539	1,107,397	3,753,165	2,557,279
Postage and delivery	94,001	3,798	97,799	9,540	2,958	12,498	110,297	73,396
Repairs and maintenance	258,821	234,257	493,078	305,509	-	305,509	798,587	1,084,227
Supplies	2,734,765	515,230	3,249,995	91,723	3,139	94,862	3,344,857	1,368,049
Dues, subscriptions and publications	18,340	50,211	68,551	280,197	804	281,001	349,552	367,513
Conferences	225,202	189,690	414,892	50,000	-	50,000	464,892	565,794
In-kind equipment and materials	757,856	-	757,856	-	-	-	757,856	11,017
In-kind professional fees	47,076	-	47,076	-	-	-	47,076	68,095
Equipment purchase and rental	819,578	936,368	1,755,946	618,784	-	618,784	2,374,730	2,698,043
Temporary help	178,733	25,436	204,169	48,443	-	48,443	252,612	374,435
Contracts	17,258,349	-	17,258,349	179,846	-	179,846	17,438,195	10,534,428
Assistance awards	21,698,739	-	21,698,739	-	-	-	21,698,739	24,532,437
Vehicle expense	437,682	20,778	458,460	158	-	158	458,618	634,173
Office operating expense	412,071	15,259	427,330	196,683	8,418	205,101	632,431	44,987
Participant training	3,064,751	-	3,064,751	-	-	-	3,064,751	5,086,102
Staff training and development	574,732	8,045	582,777	387,410	4,533	391,943	974,720	274,087
Construction expense and materials	10,661,037	-	10,661,037	1	-	1	10,661,038	7,424,644
Bad debt expense/recovery	-	10,866,890	10,866,890	-	-	-	10,866,890	1,303,847
Interest and taxes	1,292,358	14,499,502	15,791,860	62,405	-	62,405	15,854,265	17,853,993
Other	37,417	2,036,893	2,074,310	577,642	7,701	585,343	2,659,653	1,899,240.48
TOTAL	\$ 110,501,427	\$ 58,065,633	\$ 168,567,060	\$ 25,483,376	\$ 267,584	\$ 25,750,960	\$ 194,318,020	\$ 167,765,004

See accompanying notes to combined financial statements.

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINED STATEMENT OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	Without Donor Restrictions				With Donor Restrictions				<u>2020 Total</u>	<u>2019 Total</u>
	Related Entities			<u>Total</u>	<u>Project Funds</u>	<u>Loan Capital Funds</u>	Related Entities	<u>Total</u>		
	<u>Global Communities</u>	<u>Controlling Interest</u>	<u>Noncontrolling Interest</u>				<u>Controlling Interest</u>			
Balance at beginning of year	\$ 90,821,352	\$ 43,199,032	\$ 6,963,608	\$ 140,983,992	\$ 25,556,370	\$ 1,836,762	\$ -	\$ 27,393,132	\$ 168,377,124	\$ 153,171,368
Colombia investment transfer	-	70,176	-	70,176	-	-	-	-	70,176	286,496
Transfer of PCI net assets	-	2,644,045	-	2,644,045	-	-	14,098,045	14,098,045	16,742,090	-
Adjustment for loan loss impairment	-	-	-	-	-	-	-	-	-	(1,703,389)
Dividends declared	-	-	-	-	-	-	-	-	-	(380,665)
Change in net assets	<u>7,518,520</u>	<u>(12,480,154)</u>	<u>(1,037,729)</u>	<u>(5,999,363)</u>	<u>(13,006,816)</u>	<u>-</u>	<u>(23,416)</u>	<u>(13,030,232)</u>	<u>(19,029,595)</u>	<u>17,003,314</u>
BALANCE AT END OF YEAR	<u>\$ 98,339,872</u>	<u>\$ 33,433,099</u>	<u>\$ 5,925,879</u>	<u>\$ 137,698,850</u>	<u>\$ 12,549,554</u>	<u>\$ 1,836,762</u>	<u>\$ 14,074,629</u>	<u>\$ 28,460,945</u>	<u>\$ 166,159,795</u>	<u>\$ 168,377,124</u>

See accompanying notes to combined financial statements.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (19,029,595)	\$ 17,003,314
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in loan allowance	9,256,641	1,011,427
Change in present value discount for grants receivable	(81,130)	44,484
Realized and unrealized (gain) loss on investments	(2,706,989)	1,830,295
Depreciation and amortization	996,051	908,576
Lease amortization	437,319	433,533
Loss on sale/disposal of furniture and equipment	62,856	-
Adjustment for loan loss impairment	-	(1,703,389)
Contributions to be invested in perpetuity	(7,000)	-
Colombia investment transfer	70,176	286,496
Net asset transfer from PCI	16,742,090	-
Decrease (increase) in:		
Federal grants and contracts receivable	1,139,698	(2,672,993)
Non-Federal grants and contracts receivable	7,394,984	(3,711,322)
Interest and accounts receivable	(5,825,134)	(1,239,518)
Prepaid expenses and other assets	(3,112,737)	(2,733,501)
Inventory	(731,345)	-
Security deposits	(170,910)	447,844
Increase (decrease) in:		
Accounts payable and accrued expenses	2,525,972	857,396
Accrued salaries and benefits	4,190,503	729,793
Deferred revenue	(752,155)	(4,528,648)
Deferred rent	198,502	(173,647)
Other liabilities	1,225,624	2,324,963
Funds held in trust	(1,228,616)	(1,010,140)
Net cash provided by operating activities	<u>10,594,805</u>	<u>8,104,963</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase (decrease) in gross loans receivable	23,525,711	(5,503,550)
Purchase of fixed assets, net	(502,418)	(823,194)
Investment purchases and reinvestments	(34,912,678)	(2,496,168)
Proceeds from sales of investments	31,513,586	169,417
Net cash provided (used) by investing activities	<u>19,624,201</u>	<u>(8,653,495)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	38,116,129	60,538,232
Principal payments on notes payable	(30,032,482)	(36,616,940)
Payment of dividends	-	(380,665)
Contributions to be invested in perpetuity	7,000	(6,347)
Net cash provided by financing activities	<u>8,090,647</u>	<u>23,534,280</u>
Net increase in cash and cash equivalents	38,309,653	22,985,748
Cash and cash equivalents at beginning of year	<u>73,188,442</u>	<u>50,202,694</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 111,498,095</u>	<u>\$ 73,188,442</u>

See accompanying notes to combined financial statements.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Global Communities (formerly CHF International) was incorporated as a non-profit organization under the laws of the State of New Jersey in 1952. Global Communities currently provides technical assistance to individuals, international governmental organizations, and private organizations that, in turn, assist their citizens or members in improving their homes and communities. Global Communities also provides capital assistance, which includes making home and community improvement loans to low income individuals in developing countries. Global Communities' programs are funded primarily through grants and cooperative agreements with the United States Agency for International Development.

Related entities -

On April 6, 2020 Global Communities and Project Concern International (PCI) announced they have entered into a merger agreement to work with more communities around the world to achieve long-lasting, transformational change. During a transition period of approximately 18 months, the two organizations will operate as Global Communities and PCI, a partner of Global Communities. Both organizations are committed to continuing to deliver excellent results with quantifiable impact in all ongoing projects. Following full integration, the combined entity will be known as Global Communities, with an international headquarters in Silver Spring. San Diego will be the West Coast home of Global Communities and the base for expanding the impact of critical ongoing domestic health programs. Both organizations, PCI and Global Communities are planning to be fully integrated by October 1, 2021 and actively working on novating and re-assigning PCI's federal and nonfederal awards to Global Communities respectively. Activity from PCI starting April 1, 2020 has been combined in the accompanying financial statements.

Global Communities has assisted with the establishment of two non-profit entities with one located in Jordan, Entiqal for Training Company (Entiqal) and one located in Bosnia (Lider); and for-profit entities registered in Lebanon (ATAS-M). These related entities are legally incorporated within their respective countries.

Global Communities' Board of Directors passed a resolution dated September 21, 2018 whereby the Board of Directors permitted Global Communities' exit from Lider, and as well as its deconsolidation of Lider from its balance sheet (such activity collectively referred to as the "Exit"). The Exit became effective as of September 30, 2018.

Global Communities now owns 100% of CHF Development Finance International, LLC. (Vitas Group) a for-profit limited liability corporation, established under the laws of the State of Maryland. On September 11, 2017, the Vitas Group repurchased the units that were previously owned by Bamboo Finance. Prior to the repurchase of units, Bamboo Finance owned 29% of the Vitas Group.

Global Communities also formed a for-profit limited liability corporation, Atas, Inc. (ATAS-DE), established under the laws of the State of Delaware. Global Communities owns 98% of ATAS-DE. In April of 2016, Global Communities transferred ownership interest in the ACSI loan portfolio to ATAS-DE. All activity is now reported under ATAS-DE.

On November 25, 2012, Global Communities established a Joint Stock Company in Egypt, (MCSE-CHF Management and Consulting Services Egypt S.A.E). Global Communities owns 99.9% of the Egyptian entity, which is organized and existing under the laws of the Arab Republic of Egypt. The Egyptian entity implements the services agreement dated September 22, 2011 between the Overseas Private Investment Corporation (OPIC) and Global Communities.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Related entities (continued) -

On July 11, 2014, Global Communities established a civil association in Brazil (GC Brazil), governed by its Bylaws and the applicable legal provisions in Brazil. Global Communities has full control of the entity's Board of Directors.

On November 4, 2014, Global Communities established a national society, Express Microfinanzas - S.A.S. (Express Microfinanzas), in Bogota, Colombia to operate the Microcredit T1 Loan Program. The loan program was formerly a program administered by the Global Communities Colombia field office. Express Microfinanzas-SAS promotes microfinance in Bogota and urban areas and provides access to credit and financial services.

On November 3, 2017, Express Microfinanzas, a wholly owned subsidiary of Global Communities, closed a transaction with Banco W, a Colombian commercial bank, to sell its entire loan portfolio to the aforementioned bank. On December 21, 2017, Global Communities began the process of liquidating Express Microfinanzas.

As a result of this transaction, Global Communities received approximately \$1.5 million in FY18 and FY19. The deregistration and the final liquidation of Express Microfinanzas was fully completed in FY 2020.

On January 25, 2015, Global Communities established a for profit microfinance company, Vitas Palestine, in Palestine. In early 2015, all of Ryada assets (a loan program of Global Communities) were transferred to Vitas Palestine which is registered with an authorized capital of \$14,453,744. Global Communities owns 97% of Vitas Palestine and Vitas Group owns the other 3%.

In late 2017, Vitas Group signed a shareholder's agreement with Egyptian private equity firm BPE Partners to create a new microfinance institution under the Financial Regulatory Authority in Egypt. BPE, through its subsidiary Ebtikar, and Vitas registered a new company, 'Vitas Misr for Microfinance SAE' (Commercial Register 112419), which received GAFI approval on November 8, 2018. Vitas Egypt received its Financial Regulatory Authority temporary license on February 27, 2018. On January 20, 2019, the FRA provided Vitas Egypt with a final approval of the operating license. Vitas Egypt began disbursing its first loans in April 2019.

On March 28, 2019, GAFI communicated verbally to local management that Vitas Group did not receive a security clearance and was thus blocked as an investor. Local management submitted a petition to appeal the decision. On October 26, 2019, Vitas Group finally received written notice from the Ministry of Investment and International Cooperation Investor Complaints Settlement Unit that "the concerned authorities" will not grant a security clearance. To resolve the situation, Ebtikar and Vitas Group drafted a suite of agreements to change the relationship from investor to know-how provider through a Trademark Agreement and a Software License and Purchase Agreement. Vitas' exit from the company was confirmed on June 30, 2020 when its investment was liquidated. Ebtikar purchased the shares and became the sole owner of the microfinance institution.

To further financial opportunities in Iraq, on July 2, 2019, Global Communities formed a for-profit limited liability company Bell Finance, LLC. The company is established under the laws of the State of Delaware. Global Communities owns 100% of Bell Finance LLC. There was no financial activity in the fiscal year 2020.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Related entities (continued) -

Global Communities maintains significant control over these related entities. All of these entities were established to manage micro-enterprise loan programs within their respective jurisdictions.

Principles of consolidation -

The accompanying combined financial statements have been prepared on the accrual basis of accounting and in accordance with FASB ASC 958-810, *Not-for-Profit Entities, Consolidation*. All significant intercompany accounts and transactions among Global Communities and Related Entities (collectively "Global Communities") have been eliminated in combination.

Basis of presentation -

The accompanying combined financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*.

As such, net asset are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net assets categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions. As of September 30, 2020, the PCI Board has designated net assets without restriction of approximately \$1.5 million as a reserve.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors 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 revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Combined Statement of Activities as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Global Communities' combined financial statements for the year ended September 30, 2019, from which the summarized information was derived.

The accompanying combined financial statements include the world-wide operations of Global Communities. At September 30, 2020, assets held in foreign countries totaled approximately \$346,000,000.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements adopted -

During 2019, Global Communities adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. The Global Communities adopted the ASU using a modified prospective basis.

Income taxes -

Global Communities is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Global Communities is not a private foundation as described in Section 509(a)(1) of the Internal Revenue Code. Global Communities is subject to unrelated business income taxes under Section 512 (a)(7) of the Internal Revenue Code.

PCI is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Global Communities is not a private foundation as described in Section 509(a)(1) of the Internal Revenue Code. PCI is subject to unrelated business income taxes under Section 512 (a)(7) of the Internal Revenue Code.

The related entity located in Jordan (Entiqal) is registered (in its respective country) as a tax-exempt organization. ATAS-M is a registered for-profit entity in Lebanon (with the majority of operations in Iraq) and is subject to tax on any profit during the given fiscal year. ATAS-DE files its income tax return on the accrual basis of accounting. Under Subchapter K of the Internal Revenue Code, ATAS-DE has elected not to be taxed as a corporation and the members have consented to include the profit or loss in their individual tax returns. MCSE-CAF is subject to income tax under the laws of the Arab Republic of Egypt.

GC Brazil is exempted from income tax under Law 9532 / 97, amended by Law No. 9718, of November 27, 1998.

Express Microfinanzas-S.A.S is a National Society duly registered with the Chamber of Commerce in Colombia subject to tax on any profit during the given fiscal year. Vitas Palestine is subject to the local banking and microfinance sector regulations. It is registered by the Palestinian Monetary Authority as a for profit company and subject to local taxes.

Vitas Group and Bell Finance LLC are considered a disregarded entities for corporate tax reporting, therefore all financial transaction are reported under Global Communities' filing status.

Uncertain tax positions -

For the year ended September 30, 2020, Global Communities and Related Entities have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and have determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements.

Cash equivalents -

Global Communities considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Cash equivalents (continued) -

For financial statement purposes, Global Communities considers money market accounts and funds invested with local banks in foreign countries (see Note 2) to be cash equivalents, excluding money market funds held by investment managers in the amount of \$199,246 as of September 30, 2020. Cash equivalents also include amounts held in an escrow account in the amount of \$3,570,606 as of September 30, 2020 (see Funds held in trust note.)

Grants and contracts receivable -

Grants and contracts receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Loans, interest and accounts receivable -

Loans, interest and accounts receivable is comprised of interest receivable, advances to staff, amounts due from suppliers, and commissions receivable. Interest and commissions receivable represent amounts due currently on loans and advances to customers as well as partner banks. All amounts are stated at net realizable value and considered fully collectible.

Investments -

Investments are recorded at their readily determinable fair value, with unrealized and realized gains and losses included in interest and investment income. Certain investments are valued at cost, as a readily obtainable fair value is undeterminable. Investments donated to Global Communities are recorded at fair value as of the date of donation.

Inventory -

Agricultural commodities received from agencies of the United States federal government and other in-kind goods received from other non-federal entities for distribution are recorded as inventory and deferred revenue until distributed. Such goods are valued on the first-in, first-out basis at the lower of specified contract value or fair value.

Fixed assets -

Fixed assets purchased by Global Communities with unrestricted funds (and with an acquisition value of \$10,000 or more) are stated at cost and are depreciated on the straight-line basis over their related estimated useful lives, generally three to five years.

Fixed assets purchased with restricted funds are expensed and charged to the corresponding program. Leasehold improvements are recorded at cost and are amortized over the life of the lease. The cost of software, which has been capitalized, is being amortized over three years. Intangible assets are recorded at cost and amortized over their related estimated useful lives.

Funds held in trust -

On August 4, 2016, pursuant to the service agreement with the Overseas Private Investment Corporation (OPIC) dated as of September 22, 2011, the remaining aggregate amount of expenses payable by OPIC of \$6,671,387 was deposited in an escrow account. U.S. Bank National Association (Escrow Agent) has agreed to accept, hold and disburse the funds deposited in accordance with the terms of the Escrow Agreement. The escrow account has a balance of \$3,570,606 as of September 30, 2020.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Grants, contributions and contracts -

The majority of Global Communities's revenue is received through contributions as well as contracts and grants from the U.S. and foreign governments, international organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. Global Communities performs an analysis of the individual contribution, grant and contract to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal.

For contributions and grants and contracts qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants and contracts qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grant and contract agreements qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and contract awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are recognized as contributions when the revenue becomes unconditional. Typically, these agreements also contain a right of return or right of release from obligation provision and the entity has limited discretion over how funds transferred should be spent. As such, Global Communities recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants and contracts treated as conditional contributions, Global Communities had approximately \$218,000,000 in unrecognized conditional awards as of September 30, 2020.

Contract revenue is recognized when earned. Contract awards received in advance of incurring the related expenses for direct and indirect program costs are recorded as deferred revenue.

Foreign currency translation -

The dollar ("Dollars") is the functional currency for Global Communities' worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into dollars at the exchange rate in effect at the date of the Combined Statement of Financial Position.

In-kind contributions -

In-kind contributions consisted of donated skilled labor, materials, and donations from local donors/municipalities. The value of these contributions is recorded at their fair value as of the date the donations were provided.

In-kind contributions of \$804,932 have been recorded as revenue and expenses in the accompanying combined financial statements for the year ended September 30, 2020.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

In-kind contributions (continued) -

Global Communities also receives contributed services and materials (housing materials, supplies and tools) for which an estimate of the fair value is not determinable. Additionally, Global Communities' programs are furthered through the contribution of land and buildings. Because the title does not vest with Global Communities, the value of these items are not reflected in the accompanying combined financial statements in accordance with accounting principles generally accepted in the United States of America.

Allocation of functional expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Combined Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Global Communities are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Use of estimates -

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Allowances for impairment -

Global Communities established an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specified loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-off policy -

All lending operations have established policies for writing off loans. ACSI (Iraq), Vitas Jordan, Vitas Lebanon and Vitas Palestine have established a write-off policy, whereby any loan more than 180 days overdue is written-off and any related allowance for impairment losses is deducted. However, collections procedures for written-off loans continue. In the case of Vitas Romania, the regulator prevents the entity from writing off a loan until all legal recourse is exhausted. At that time, a loan is written off and any related allowance for impairment loss is deducted.

Collaterals -

Global Communities holds collaterals against loans to customers in the form of mortgage interest over property, other registered advances to customers over assets and guarantees. Estimates of value are based on the value of the collateral assessed at the time of borrowing and generally are not updated.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Collaterals (continued) -

Changes in fair market value at various intervals is difficult to determine due to the fact that the loans made by Global Communities are generally short-term and the change in value of any collateral is negligible in relation to the term of the loan.

Collateral generally is not held over the cash deposited with banks and other financial institutions.

Credit risk -

Credit risk is the risk of financial loss to Global Communities if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Global Communities' lending activity.

Global Communities takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Allowances for impairment are accounted for where there is objective evidence that the loans and advances to customers are impaired.

Significant changes in the economy, depreciation of local currencies against currencies of the indexed portfolios, or in the health of a particular industry segment, could result in evidence that the expected future cash flows are different from those provided for at the end of the reporting period. Management, therefore, carefully monitors and manages its exposure to credit risk.

Market risk -

Market risk is defined as external influences, generally outside of the control of the organization's executive management, but which can be identified, assessed and mitigating actions put in place to reduce any adverse impact.

Interest rate risk -

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Global Communities takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored monthly.

The loans receivable as well as notes payable are at fixed interest rates. The loans receivable mature much faster than the related borrowings, a fact that allows Global Communities to adjust the fixed interest of its receivables to market conditions. As part of its financing strategy, Global Communities also seeks to attract longer term, fixed-rate financing.

Currency risk -

Global Communities is exposed to currency risk through transactions in foreign currencies against the U.S. Dollar.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Currency risk (continued) -

There is also a Combined Statement of Financial Position risk that the net monetary liabilities in foreign currencies will take a higher value when translated into U.S. Dollar as a result of currency movements.

Operational environment risk -

The identification and valuation of investments influenced by the illiquid market conditions, the determination of compliance with debt agreements and other contract covenants, and the evaluation of significant uncertainties, including uncertainties associated with an entity's ability to continue as a going concern for a reasonable period of time, bring their own challenges. The effects of these on the financial markets have been seen in the form of volatility of the foreign exchange rates and an increase in the country's credit default swap.

The debtors of Global Communities and Related Entities may also be affected by the lower liquidity and solvency situations, which could in turn impact their ability to repay their outstanding loans.

Deteriorating operating conditions for customers may also have an impact on the management of cash flow forecasts and assessments of the impairment of financial and non-financial assets. To the extent that information is available, management has reflected revised estimates of expected future cash flows in its impairment assessment.

Management is unable to predict all development which could have an impact on the foreign financial institutions sector and, consequently, what effect, if any, they could have on these combined financial statements.

Liquidity risk -

Liquidity risk is the risk that a company will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. To mitigate this risk, management has diversified funding sources and assets are managed with a liquidity approach, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities. Management monitors the maturity profile of its financial assets and liabilities to ensure that adequate liquidity is maintained. The average loan term is 12 months for Global Communities and Related Entities' share of the outstanding loan balance.

Expected Credit Losses and Impairment (ECL) -

Certain subsidiaries of Global Communities apply a policy on the measurement of expected credit losses and impairment. The subsidiaries apply a three-stage approach to measuring expected credit losses (ECL) on financial assets carried at amortized cost. The valuation of the ECL is calculated based on a three stage framework that measures the change in credit quality since initial recognition.

Fair value measurements -

Global Communities adopted the provisions of FASB ASC 820, *Fair Value Measurements*.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fair value measurements (continued) -

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Global Communities accounts for a significant portion of their financial instruments at fair value or considers fair value in their measurement.

In 2015, the FASB issued ASU 2015-07, *Fair Value Measurement* (Topic 820). The ASU removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The ASU becomes effective for years beginning after December 15, 2016.

The ASU should be applied on a retrospective basis in the year the ASU is first applied. Global Communities adopted the new guidance above and applied it retrospectively.

Reclassification -

Certain amounts in the prior year's combined financial statements have been reclassified to conform to the current year's presentation.

New accounting pronouncements (not yet adopted) -

FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. During 2020, the FASB delayed the implementation date under ASU 2020-05 for an additional year. Organizations may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019 and for interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is still permitted.

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

Global Communities plans to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying combined financial statements.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact Global Communities's operations. The overall potential impact is unknown at this time.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

2. CONCENTRATION OF CREDIT RISK

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times, Global Communities maintains cash balances at financial institutions in excess of FDIC limits. Management believes the risk in these situations to be minimal.

Global Communities maintains significant cash balances for short periods of time prior to transferring funds to its field offices. For additional protection of the funds in excess of FDIC limits, Global Communities opened sweep accounts to transfer the funds into U.S. Treasuries at the close of each business day.

Global Communities had approximately \$81,000,000 of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2020. The majority of funds invested in foreign countries are uninsured.

3. INVESTMENTS

Investments at September 30, 2020, consisted of the following:

	<u>Fair Value</u>	<u>Cost</u>
Money market funds	\$ 199,246	\$ 199,246
Common stocks and mutual funds	29,536,227	26,576,573
Fixed income	15,335,044	15,004,848
Hedge funds	2,501,487	2,850,490
Certificates of deposit	171,819	170,000
Exchange traded funds	2,119,780	2,027,571
Venture capital - Partnerships	1,414,621	1,071,380
Investments held by TSDF	138,755	138,755
Investment in Tanmyeh (Union Company of Micro Financiers in Jordan)	11,753	11,753
Investment in Sila for Sanitization Solutions	7,052	7,052
Investment in BOAFO (local microfinance institution in Ghana)	<u>858,611</u>	<u>406,832</u>
TOTAL INVESTMENTS	<u>\$ 52,294,395</u>	<u>\$ 48,464,500</u>

During the year ended September 30, 2020, Global Communities recorded realized and unrealized gains on its investments of \$2,706,989. The gains have been included in interest and investment income in the accompanying Combined Statement of Activities.

There are no uncalled commitments, lock up or liquidity provisions associated with the hedge funds or partnerships. PCI cannot withdraw the funds it has invested at TSDF and there are no commitments to invest additional funds.

4. LOANS RECEIVABLE AND PROVISION FOR LOAN LOSSES

Loans receivable include loans made by Global Communities to financial institutions, who in turn lend these funds to low-income individuals or families in foreign countries for a variety of microfinance activities.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

4. LOANS RECEIVABLE AND PROVISION FOR LOAN LOSSES (Continued)

Loans receivable also include loans made directly by Global Communities to individuals for similar purposes. These loans, the majority of which are at the prevailing market interest rates ranging between 0.67% and 5.58% per month, mature at various times over the next five years and thereafter. The loans are disbursed and repaid in either U.S. Dollars or the local currency of the respective country.

Loans receivable, as of September 30, 2020, consisted of the following:

Loans receivable	\$ 248,773,940
Less: Allowance for bad debts	(19,751,313)
Less: Unearned revenue	<u>(9,480,537)</u>
 NET LOANS RECEIVABLE	 <u>\$ 219,542,090</u>

The following is a schedule of required principal receipts (due Global Communities) under the aforementioned loans (net of allowance):

Year Ending September 30,

2021	\$ 124,497,066
2022	53,257,966
2023	26,996,382
2024	9,195,338
2025	4,184,438
Thereafter	<u>1,410,900</u>
	 <u>\$ 219,542,090</u>

During the year ended September 30, 2020, the total allowance for loan losses increased by \$9,256,641. The total bad debt expense was \$10,866,890. During the year ended September 30, 2018, interest income earned on loans receivable, including other investment income totaled approximately \$51,000,000.

5. NON-FEDERAL GRANTS AND CONTRACTS RECEIVABLE

As of September 30, 2020, contributors to Global Communities have made written promises to give of which \$8,060,423 remained outstanding as of fiscal year-end. Grants due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate of 3.25%. As of September 30, 2020, non-federal grants and contracts are due as follows:

Less than one year	\$ 4,960,889
One to five years	<u>3,099,534</u>
	8,060,423
Less: Allowance to discount balance to present value	<u>(97,564)</u>
 NON-FEDERAL GRANTS AND CONTRACTS RECEIVABLE	 <u>\$ 7,962,859</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

6. FIXED AND INTANGIBLE ASSETS

Furniture, equipment and leasehold improvements consisted of the following at September 30, 2020:

Furniture and fixtures	\$ 3,692,600
Computers and equipment	1,916,378
Vehicles	1,197,840
Leasehold improvements	<u>4,745,135</u>
	11,551,953
Less: Accumulated depreciation and amortization	<u>(6,736,895)</u>
	4,815,058
Net intangible assets	<u>200,140</u>
FIXED ASSETS, NET	<u>\$ 5,015,198</u>

Total depreciation and amortization expense for the year ended September 30, 2020 was \$996,051, of which \$246,100 was related to assets held by Global Communities and \$749,951 was related to assets held by the related entities.

7. NOTES PAYABLE

As of September 30, 2020, Global Communities has outstanding notes payable aggregating \$215,097,543. The notes are due between October 1, 2020 and June 30, 2033. All notes payable are secured by Global Communities' loans receivable. Following is a table of all notes payable as of September 30, 2020:

Entity	Lender's Name	Date of Issue	Loan Currency	Loan Original Amount (USD)	Date of Maturity	Interest Rate	Commission	Loan Balance September 30, 2019 (USD)
GC HQ	Calvert Foundation	04/04/2018	USD	5,000,000	04/03/2021	4.80%		\$ 5,000,000
GC HQ	Small Business Administration (See note 8)	05/01/2020	USD	1,950,000	04/30/2021	1.00%		1,950,000
ATAS DE	OPIC	10/05/2012	USD	30,000,000	06/30/2025	4.93%		73,000,000
Vitas Palestine	Bank of Palestine	05/25/2016	USD	1,000,000	05/25/2021	4.65%	0.50%	274,630
Vitas Palestine	Bank of Palestine	09/07/2016	USD	1,000,000	05/25/2021	4.99%	0.50%	249,346
Vitas Palestine	Bank of Palestine	01/02/2017	USD	1,000,000	05/25/2021	5.07%	0.50%	272,530
Vitas Palestine	Bank of Palestine	04/17/2017	USD	1,000,000	05/25/2021	5.19%	0.50%	273,741
Vitas Palestine	RepsonsAbility SICAV	06/29/2017	USD	3,000,000	06/29/2020	5.00%		680,000
Vitas Palestine	RepsonsAbility SICAV	06/26/2018	USD	3,500,000	06/28/2021	6.25%		510,000
Vitas Palestine	Quds Bank	03/20/2016	USD	2,000,000	03/20/2021	5.50%	1.00%	224,670
Vitas Palestine	Quds Bank	08/24/2016	USD	1,000,000	08/24/2021	5.51%	1.00%	222,180
Vitas Palestine	Quds Bank	02/27/2017	USD	1,000,000	02/27/2022	5.58%	1.00%	329,645
Vitas Palestine	Quds Bank	10/25/2017	USD	1,000,000	10/25/2022	5.54%	1.00%	522,625
Vitas Palestine	Quds Bank	11/21/2017	USD	2,000,000	11/21/2022	6.05%	1.00%	1,051,523
Vitas Palestine	SANAD	12/17/2018	USD	2,000,000	10/05/2021	6.21%	0.50%	1,500,000
Vitas Palestine	SANAD	05/08/2019	USD	2,000,000	10/05/2021	5.00%	0.50%	1,500,000
Vitas Palestine	GGF (SANAD)	12/04/2017	USD	2,000,000	12/15/2020	4.80%	1.00%	400,000
Vitas Palestine	Palestinian Fund for Employment and Social Protection	02/05/2016	USD	1,050,000	02/05/2022	2.00%		381,471
Vitas Palestine	Palestinian Fund for Employment and Social Protection	01/30/2018	USD	2,011,022	01/30/2024	2.00%		1,899,431
Vitas Palestine	Palestinian Investment Fund	12/04/2017	USD	2,000,000	12/04/2021	3.50%		742,443
Vitas Palestine	Palestinian Investment Fund	08/20/2019	USD	3,000,000	11/20/2023	3.75%		2,878,559
Vitas Palestine	European Investment Bank	05/24/2018	USD	2,500,000	02/01/2023	5.31%		1,562,500
Vitas Palestine	European Investment Bank	03/22/2019	USD	2,500,000	02/01/2024	5.31%		2,187,500

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

7. NOTES PAYABLE (Continued)

Following is a table of all notes payable as of September 30, 2020 (continued):

Entity	Lender's Name	Date of Issue	Loan Currency	Loan Original Amount (USD)	Date of Maturity	Interest Rate	Commission	Loan Balance September 30, 2019 (USD)
Vitas Palestine	FMO	05/14/2020	USD	5,000,000	04/22/2025	4.41%		\$ 5,000,000
Vitas Palestine	SANAD	06/29/2020	USD	2,000,000	04/08/2024	4.00%		2,000,000
Vitas Palestine	EPCGF	06/30/2019	USD	740,246	03/31/2024	5.75%		740,246
Vitas Palestine	Proparco Loan Payable	08/27/2020	USD	5,000,000	08/18/2025	4.05%		5,000,000
Vitas Jordan	Invest Bank Loan- Revolving 25137	03/30/2017	JOD	8,462,623	Revolving	7.75%	0.00%	7,953,570
Vitas Jordan	Al-Ethad Bank Revolving	07/01/2014	JOD	5,641,749	Revolving	7.25%	0.25%	5,445,855
Vitas Jordan	Housing Bank (25129)	05/05/2016	JOD	5,641,749	Revolving	8.00%	0.00%	5,319,810
Vitas Jordan	Capital Bank Loan 25124	03/09/2015	JOD	5,641,749	Revolving	7.50%	0.00%	5,259,756
Vitas Jordan	SANAD25154	12/19/2019	USD	4,000,000	05/10/2022	8.00%	0.00%	4,000,000
Vitas Jordan	Jordan Commercial Bank	05/08/2019	JOD	4,231,312	Revolving	7.50%	0.00%	3,960,410
Vitas Jordan	EALB (25128)	03/23/2016	JOD	4,231,312	Revolving	7.50%	0.00%	3,266,370
Vitas Jordan	Cairo Amman Bank Revolving 25110	01/03/2015	JOD	4,936,530	Revolving	7.75%	0.00%	1,870,350
Vitas Jordan	SANAD / 25145	03/29/2018	USD	4,000,000	04/05/2021	8.10%	0.00%	1,600,000
Vitas Jordan	Al-Ethad Bank/ 25150	03/19/2019	JOD	2,820,874	12/01/2023	7.75%	0.50%	1,448,663
Vitas Jordan	Capital Bank Loan 25152	05/28/2020	JOD	1,410,437	12/28/2020	7.00%	0.00%	1,410,437
Vitas Jordan	Housing Bank (25144)	03/01/2018	JOD	2,820,874	08/01/2022	8.70%	0.00%	1,351,551
Vitas Jordan	SGBJ Bank Loan Term (25149)	12/13/2018	JOD	2,115,656	06/30/2022	7.50%	0.00%	1,175,364
Vitas Jordan	Jordan Kuwait (25151)	06/02/2019	JOD	2,115,656	10/01/2021	8.00%	0.50%	1,039,371
Vitas Jordan	SGBJ Bank Loan 25125	10/26/2015	JOD	1,410,437	Revolving	7.50%	0.50%	1,030,477
Vitas Jordan	Al-Ethad Bank/ 25140	04/30/2017	JOD	2,820,874	07/30/2021	7.75%	0.00%	530,684
Vitas Jordan	SGBJ Bank Loan Term (25143)	03/19/2018	JOD	1,410,437	09/30/2021	7.50%	0.50%	470,145
Vitas Lebanon	BlueOrchard Microfinance Fund	05/31/2019	USD	5,000,000	05/31/2023	7.00%	1.00%	5,253,876
Vitas Lebanon	Facility BDL under cicular 547	02/07/2020	USD	2,122,770	07/31/2023	0.00%	0.00%	1,966,846
Vitas Lebanon	Fransabank sal	08/24/2013	LBP	3,316,750	12/31/2021	4.79%		829,187
Vitas Lebanon	Fransabank sal	06/25/2014	LBP	3,316,750	09/30/2022	4.79%		1,326,649
Vitas Lebanon	Fransabank sal	11/12/2015	LBP	3,316,750	12/31/2023	4.79%		2,155,860
Vitas Lebanon	KIVA Microfunds	07/21/2008	USD	n/a	n/a	0.00%		624,641
Vitas Lebanon	Liquidator under BDL	09/30/2013	LBP	3,316,750	09/30/2021	4.79%		1,567,653
Vitas Lebanon	Liquidator under BDL	02/28/2014	LBP	3,316,750	03/31/2022	4.79%		1,916,020
Vitas Lebanon	Liquidator under BDL	11/14/2014	LBP	3,316,750	09/30/2022	4.79%		2,322,449
Vitas Lebanon	responsAbility Investments AG	07/31/2019	USD	8,000,000	08/01/2022	6.50%	1.00%	8,557,233
Vitas Lebanon	Saradar Bank	02/20/2018	LBP	3,316,750	12/31/2025	4.00%		3,316,750
Vitas Lebanon	Saradar Bank	02/22/2018	LBP	3,316,750	12/31/2025	4.00%		3,316,750
Vitas Lebanon	Saradar Bank	04/11/2018	LBP	3,316,750	12/31/2025	4.00%		3,316,750
Vitas Lebanon	Symbiotics SA	12/19/2018	USD	5,000,000	12/19/2022	7.03%	1.00%	5,344,992
Vitas Romania	European Fund for SouthEast (i)	03/08/2019	RON	9,400,000	03/15/2022	5.84%	1.00%	1,501,604
Vitas Romania	CoopEst Netherlands B.V. - CoopEst 2 (iii)	05/15/2013	EUR	800,000	06/30/2023	4.40%	3.00%	931,976
Vitas Romania	CoopEst Netherlands B.V. - CoopEst 4 (iv)	05/10/2017	EUR	250,000	05/11/2018	4.30%	1.50%	293,597
Vitas Romania	CoopEst Netherlands B.V. - CoopEst 6 (vi)	06/11/2018	EUR	450,000	06/20/2021	4.25%	2.00%	529,734
Vitas Romania	CoopEst Netherlands B.V. - CoopEst 7 (vii)	12/19/2018	EUR	250,000	01/10/2022	4.25%	2.00%	293,282
Vitas Romania	CoopEst Netherlands B.V. - CoopEst 8 (viii)	06/26/2019	EUR	750,000	07/01/2022	4.25%	2.00%	876,892
Vitas Romania	Oikocredit, Ecumenical Development Co-operative Society U.A. - Oikocredit 4 (ix)	08/17/2016	RON	6,660,000	08/25/2021	7.34%	1.00%	357,353
Vitas Romania	Oikocredit, Ecumenical Development Co-operative Society U.A. - Oikocredit 5 (x)	12/14/2017	RON	5,000,000	06/20/2022	6.50%	1.00%	607,555
Vitas Romania	responsAbility SICAV, Micro and SME	09/07/2017	RON	2,065,000	09/13/2021	6.00%		124,379
Vitas Romania	responsAbility SICAV, Mikro- und KMU-	09/07/2017	RON	1,600,000	09/13/2021	6.00%		96,371
Vitas Romania	responsAbility SICAV, Financial Inclusion	09/07/2017	RON	920,000	09/13/2021	6.00%		55,413
Vitas Romania	Fund - responsAbility (I) (xvii)	09/07/2017	RON	920,000	09/13/2021	6.00%		55,413
Vitas Romania	responsAbility SICAV, Financial Inclusion	09/07/2017	RON	920,000	09/13/2021	6.00%		55,413
Vitas Romania	Fund - responsAbility (K) (xviii)	08/30/2018	RON	2,300,000	09/10/2021	7.15%	1.00%	184,036

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

7. NOTES PAYABLE (Continued)

Following is a table of all notes payable as of September 30, 2020 (continued):

Entity	Lender's Name	Date of Issue	Loan Currency	Loan Original Amount (USD)	Date of Maturity	Interest Rate	Commission	Loan Balance September 30, 2019 (USD)
Vitas Romania	responsAbility SICAV, Micro and SME Finance Leaders - responsAbility (L) (xix)	08/30/2018	RON	3,000,000	09/10/2021	7.15%	1.00%	\$ 240,048
Vitas Romania	responsAbility SICAV, Micro and SME Finance Leaders - responsAbility (M) (xx)	08/31/2018	RON	3,000,001	09/11/2021	7.15%	1.00%	696,816
Vitas Romania	Symbiotics SICAV, SEB V Microfinance Fund - Symbiotics (C) (xxiv)	05/23/2018	RON	5,000,000	05/25/2021	6.42%	1.00%	1,224,053
Vitas Romania	Symbiotics SICAV, Emerging Impact Bond Fund - Symbiotics (D) (xxv)	06/05/2018	RON	1,300,000	06/15/2021	6.50%	1.00%	316,753
Vitas Romania	CoopEst Netherlands B.V (xxvii) responsAbility Management Company SA(xxviii)	10/03/2016	EUR	500,000	10/15/2023	6.50%	1.00%	592,138
Vitas Romania	European Investment Fund- EIF (ii)	01/28/2016	EUR	500,000	01/28/2021	8.17%		593,568
Vitas Romania	OTP Bank	05/15/2020	RON	9,000,000	05/15/2030	5.54%	0.50%	2,145,979
Vitas Romania	Credit Agricole	10/15/2019	RON	8,000,000	11/19/2021	5.49%		1,064,741
PCI	Small Business Administration (See note 8)	03/20/2020	RON	7,250,550	03/11/2024	8.00%	1.00%	1,783,446
		04/20/2020	USD	1,286,300	04/19/2022	1.00%		<u>1,286,300</u>
								<u>\$ 215,097,543</u>

The following is a schedule of required principal payments due under the aforementioned loans:

Year Ending September 30,

2021	\$ 82,490,460
2022	39,671,115
2023	22,319,620
2024	15,304,234
2025	12,168,621
Thereafter	<u>43,143,493</u>
	<u>\$ 215,097,543</u>

8. FUNDING FROM THE PAYCHECK PROTECTION PROGRAM

On April 1, 2020 Global Communities received loan proceeds in the amount of \$1,950,000 under the Paycheck Protection Program. On April 20, 2020 PCI received loan proceeds in the amount of \$1,286,300 under the Paycheck Protection Program. The promissory notes call for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months.

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. Global Communities and PCI intend to use the proceeds for purposes consistent with the Paycheck Protection Program and believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. Global Communities and PCI intend to apply for forgiveness after completing the 24-week period. If forgiveness is granted, the Global Communities and PCI will record revenue from debt extinguishment during the period that forgiveness was approved.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

8. FUNDING FROM THE PAYCHECK PROTECTION PROGRAM (Continued)

Principal payments as stated in the promissory note are due as follows unless otherwise forgiven:

Year Ending September 30,

2021		\$ 983,632
2022		<u>2,252,668</u>
		<u>\$ 3,236,300</u>

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted primarily of cash and cash equivalents, loans receivable (net of allowance for bad debts) and grants receivable, received from governmental agencies, corporations and private foundations and loan capital, for which donor-imposed restrictions have not been met. All net assets with restrictions at September 30, 2020 are to provide support for Global Communities' programs. Following is a summary of net assets with restrictions at September 30, 2020:

Project Funds:

Argentina	\$ 92,319
Ghana	42
Guatemala	91,469
Honduras	9,011,313
India	5,534,524
Kenya	465,201
Malawi	186,467
Mexico/U.S. Border	104,456
Nicaragua	6,010
Palestine	1,072,789
South Sudan	12,399
Sri Lanka	35,091
Tanzania	977,481
Turkey-Syria	15,766
Zambia	4,815
Various headquarters projects	<u>8,299,305</u>

25,909,447

Amounts to be held in perpetuity- endowment 714,736

PROJECT FUNDS TOTAL **\$ 26,624,183**

Loan Capital:

Jordan	\$ 333,333
Lebanon	333,333
Palestine	<u>1,170,096</u>

LOAN CAPITAL TOTAL **\$ 1,836,762**

TOTAL **\$ 28,460,945**

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

9. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the year ended September 30, 2020, net assets with restrictions of \$14,405,680 were released from restrictions by incurring programmatic expenses or through the passage of time, both satisfying Global Communities' donor-imposed restrictions. Following is a summary of net assets released from restrictions, by country program, for the year ended September 30, 2020:

Project Funds:	
Argentina	\$ 275,665
Brazil	954,057
Ghana	44,642
Haiti	763,252
Honduras	4,573,609
Guatemala	135,020
India	1,588,791
Kenya	769,312
Malawi	628,584
Mexico/U.S Border	36,302
Nicaragua	55,153
Palestine	275,804
Sri Lanka	64,909
Tanzania	391,388
Turkey-Syria	1,294,566
Zambia	65,950
Various headquarters projects	2,363,676
Passage of time	<u>125,000</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 14,405,680</u>

During the year ended September 30, 2020, Global Communities reduced net assets with donor restrictions by \$4,080,073 to account for a deobligation of funds by a donor. The reduction is presented under Other items in the accompanying Combined Statement of Activities.

10. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Combined Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 111,498,095
Investments	52,294,395
Current portion of loans receivable, net of allowances	124,497,066
Federal grants and contracts receivable	5,741,069
Non-Federal grants and contracts receivable	7,962,859
Interest and accounts receivable	<u>10,261,902</u>
Subtotal financial assets available	312,255,386
Less: Donor restricted funds	(27,746,209)
Less: Endowment funds to be invested in perpetuity	(714,736)
Less: PCI Board designated funds	(1,543,799)
Less: Funds held in trust	<u>3,570,606</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 285,821,248</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

10. LIQUIDITY AND AVAILABILITY (Continued)

As part of the Global Communities' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Global Communities works in numerous third world countries through its field offices and related entities. Cash accounts as well as loan portfolios are maintained in several of those countries. The future results of those programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate which could affect the liquidity and availability of Global Communities' available financial assets.

11. RETIREMENT PLANS

Defined contribution plan -

Global Communities sponsors a defined contribution plan (profit-sharing plan) that covers all current employees who have completed one year of service. Contributions to the Plan are discretionary and are determined each year by the management of Global Communities. The Plan has a four year graduated vesting schedule. In addition, Global Communities has also adopted a Safe Harbor Plan that contributes 3% of total compensation to each employees account that is vested immediately.

PCI sponsors a defined contribution plan (the Plan) which covers substantially all full-time employees who are legal residents of the United States of America. PCI makes matching contributions to the Plan of up to 3% of an employee's salary. PCI also makes a non-elective contribution of 3% of an employee's salary.

Deferred compensation plan -

Global Communities also has a deferred compensation plan for certain key staff. Amounts contributed are vested immediately.

During the year ended September 30, 2020, total retirement plan expense for Global Communities and PCI aggregated \$1,800,000 and \$240,000, respectively.

12. COMMITMENTS

On November 6, 2014, Global Communities entered into a 156-month lease agreement for office space. The lease commences on April 1, 2015 and includes a 2.5% annual lease payment escalation. The lease agreement also stipulates that Global Communities will be obligated to pay a proportionate share of the building's operating expenses and real estate taxes.

PCI leases office space in San Diego under a non-cancelable lease that expires in December 2024. The lease has escalating payments with monthly payments starting at approximately \$20,000 and provided for rent abatement for the second through sixth month of the agreement.

PCI leases office space in Washington D.C. under a non-cancelable lease that expires in November 2026. The lease has escalating lease payments with monthly payments starting at approximately \$34,000 and provided for rent abatement for the first six months of the agreement.

PCI leases certain office equipment and space for field offices under non-cancelable operating leases which expire through April 2024 and have monthly payments ranging from approximately \$150 to \$7,800.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

12. COMMITMENTS (Continued)

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability on the Combined Statement of Financial Position. Global Communities is also obligated under several non-cancelable leases for office equipment and vehicles.

The following is a schedule of future minimum payments required as of September 30, 2020:

Year Ending September 30,

2021	\$ 2,034,715
2022	1,813,143
2023	1,826,900
2024	1,819,890
2025	1,587,901
Thereafter	<u>3,173,762</u>
	<u>\$ 12,256,311</u>

Total rent expense under long-term lease commitments for the year ended September 30, 2020 was approximately \$726,000. The deferred rent liability was \$2,431,086.

Global Communities also leases office space in numerous foreign countries under short-term lease agreements. Total rent expense under short-term lease agreements for the year ended September 30, 2020 was approximately \$1,500,000 for Global Communities. Total rent expense for Global Communities and related entities totaled approximately \$4,200,000.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 related to *Leases* (Topic 842), in order to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Combined Statement of Financial Position and disclosing key information about leasing arrangements for operating leases that are greater than one year in duration.

The ASU specifically requires an organization to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments in the Combined Statement of Financial Position. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Several of the related entities elected to early implement the ASU. As a result, the applicable related entities recorded a right-of-use asset in the amount of \$3,868,364 and an offsetting lease liability in the amount of \$3,521,351. As of September 30, 2020 the right of use asset and lease liability balances were \$3,160,691 and \$3,057,489, respectively, which is included in prepaid expenses and other assets and other liabilities in the accompanying financial statements, respectively.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

12. COMMITMENTS (Continued)

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate. Global Communities and the remaining related entities will adopt the ASU by the required implementation date.

The following is the detail of the operating lease cost components included in expense for the year ended September 30, 2019:

Operating Lease expense	\$	100,525
Depreciation charge of right-of-use assets		1,184,026
Interest expense		<u>361,355</u>
TOTAL	\$	<u>1,645,906</u>

13. CONTINGENCIES

United States Government funding -

Global Communities receives grants from various agencies of the United States Government. Beginning with the fiscal year ended September 30, 2016, such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2020. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

Foreign operations -

Global Communities provides technical assistance and capital assistance in numerous third world countries through its field offices and related entities in each of those countries. Global Communities also maintains cash accounts as well as loan portfolios in several of those countries. The future results of those programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate.

As of September 30, 2020, Global Communities had assets in various countries in the Middle East, Eastern Europe, Africa, Asia and Central and South America, totaling approximately \$346,000,000, which represents approximately 82% of Global Communities' total assets as of September 30, 2020.

14. ECONOMIC DEPENDENCY

Approximately 89% of Global Communities' total revenue and support, excluding in-kind contributions and related entity revenue for the year ended September 30, 2020 was derived from grants and contracts awarded directly by the United States Federal Government or from pass-through entities, excluding loan capital. Global Communities has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew agreements or withholding of funds) would adversely affect Global Communities' ability to finance ongoing operations.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

15. LINE OF CREDIT

PCI has a \$2,500,000 line of credit with a bank with an interest rate of prime plus 0.25% and a floor of 3.5% (rate is 3.5% at September 30, 2020). The line of credit is secured by all of PCI's assets and expires July 31, 2021.

At September 30, 2020, there was no outstanding balance on the line of credit. Under the terms of the line of credit agreement, PCI is required to maintain compliance with covenants. Financial covenants include having a minimum current-assets-to-current liabilities ratio of 1.2 to 1.

16. SUPPLEMENTAL CASH FLOW INFORMATION

The following is supplementary information relating to the Combined Statement of Cash Flows:

Inventory Increases in Deferred Revenue	\$ <u>447,851</u>
Interest Paid - Related Entities	\$ <u>13,125,355</u>
Taxes Paid - Related Entities	\$ <u>1,441,289</u>

17. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, Global Communities has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Combined Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Global Communities has the ability to access.

Level 2. These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used as of September 30, 2020.

- *Money market funds* - The money market fund is an open-end mutual fund that is registered with the Securities and Exchange Commission and is deemed to be actively traded.
- *Common stocks and Exchange traded funds* - Valued at the closing price reported on the active market in which the individual securities are traded.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

17. FAIR VALUE MEASUREMENT (Continued)

- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Global Communities' are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by Global Communities are deemed to be actively traded.
- *Fixed income* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Certificates of deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.
- *Interests in hedge funds, limited partnerships, private equity funds and other investments* - Valued at net asset value (NAV) of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.
- *Investments held by TSDF* - The fair value of investments held by TSDF is based on values provided by TSDF. TSDF determines the fair values based on the unit value of PCI's interest in the pool in which the funds are invested. The unit value is based on the fair value of the underlying assets in the pool as reported to PCI by TSDF.

Global Communities uses net asset value (NAV) per share, or its equivalent, as a practical expedient: Certain alternative investments that are measured at fair value using the NAV (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy; however, the fair value amounts presented in the tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. Following is a description of those alternative investments:

- Rockefeller Opportunistic Credit Fund, LLC is a fund-of-funds that invests primarily in third-party hedge funds that focus on stressed and distressed credit, fixed income, and other investments, both domestically and outside of the US.
- Rockefeller Access Fund 2015, LLC is a fund-of-funds that provides a level of diversified exposure to private equity investments, primarily through investments in "top-tier" growth equity funds and buyout funds, with select exposure to venture funds, special situations funds and credit funds.
- Aberdeen Private Ventures Fund is a fund-of-funds that provides a level of diversified exposure to early and multi-stage venture capital funds.

PCI's investment portfolio includes Investments held by TSDF. Following is a description of those alternative investments:

- The pool is invested primarily in publicly traded fixed-income and equity funds. PCI's Controller, under the oversight of the Chief Financial Officer, reviewed and evaluated the values provided by TSDF quarterly and agrees with the valuation methods used.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

17. FAIR VALUE MEASUREMENT (Continued)

The table below summarizes, by level within the fair value hierarchy and those invested and measured at NAV for practical expedient as of September 30, 2020.

Asset Category:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 199,246	\$ -	\$ -	\$ 199,246
Common stocks and mutual funds	29,536,227	-	-	29,536,227
Fixed income	15,335,044	-	-	15,335,044
Certificates of deposit	-	171,819	-	171,819
Exchange traded funds	2,119,780	-	-	2,119,780
Other investments:				
Investment in Tanmyeh (Union Company of Micro Financiers in Jordan)	-	-	11,753	11,753
Investment held by TSDF	-	-	138,755	138,755
Investment in Sila for Sanitization Solutions	-	-	7,052	7,052
Investment in BOAFO (local microfinance institution in Ghana)	-	-	858,611	858,611
Investments Measured at Net Asset Value:				
Hedge funds	-	-	-	2,501,487
Venture capital - Partnerships	-	-	-	1,414,621
TOTAL	<u>\$ 47,190,297</u>	<u>\$ 171,819</u>	<u>\$ 1,016,171</u>	<u>\$ 52,294,395</u>

There were no transfers between levels in the fair value hierarchy during the year ended September 30, 2020. Transfers between levels are recorded at the end of the reporting period, if applicable.

Level 3 Financial Assets

The following table provides a summary of changes in fair value of Global Communities' financial assets for the year ended September 30, 2020:

	<u>Investments</u>
Beginning balance as of October 1, 2019	\$ 1,268,426
Purchases	7,052
Transfer of PCI Investments held by TSDF	135,814
Proceeds from sale	(819,240)
Net realized and unrealized gain on sale	<u>424,119</u>
BALANCE AS OF SEPTEMBER 30, 2020	<u>\$ 1,016,171</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

18. ENDOWMENT

PCI's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

The Board of PCI has interpreted California's enacted version of UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Global Communities considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The governing board has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, the endowment assets managed by PCI are considered using the following factors in making a determination to appropriated or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment net asset composition by type of fund as of September 30, 2020:

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 701,831	\$ 701,831
Accumulated investment earnings	<u>-</u>	<u>12,905</u>	<u>12,905</u>
TOTAL ENDOWMENT FUNDS	<u>\$ -</u>	<u>\$ 714,736</u>	<u>\$ 714,736</u>

Endowment assets are compromised of the following at September 30, 2020:

	<u>2020</u>	<u>2019</u>
Investments managed by PCI	\$ 575,981	-
Investments held by TSDF	<u>138,755</u>	<u>-</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 714,736</u>	<u>\$ -</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2020

18. ENDOWMENT (Continued)

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions for donor-restricted endowment funds and continued appropriations for certain programs that was deemed prudent by the Board of Directors. There were no deficiencies as of September 30, 2020.

Return Objectives and Risk Parameters -

PCI has followed a conservative investment strategy with the endowment funds it manages to minimize risk. All PCI-managed endowment funds are invested in exchange traded funds.

Spending Policy -

PCI has a policy of appropriating for expenditure each year all earnings on the endowment assets, not to exceed 5 % of the assets' value.

Endowment assets held by TSDF -

Endowment investments held by TSDF are invested in a "Balanced Pool" portfolio, which is structured for long-term total return. To provide diversification and to moderate risk, the investments are divided into carefully defined asset classes. TSDF's spending policy is to disburse 5% annually, based upon endowment principal market value over the last 36 months. If the market value of the endowment principal of any fund at the end of each month is less than the initial value of all contributions made to the endowment principal, then distributions will be limited to interest and dividends received.

19. SUBSEQUENT EVENTS

In preparing these combined financial statements, Global Communities has evaluated events and transactions for potential recognition or disclosure through March 18, 2021, the date the combined financial statements were issued.

SUPPLEMENTAL INFORMATION

GLOBAL COMMUNITIES AND RELATED ENTITIES

SCHEDULE OF FUNCTIONAL EXPENSES WITHOUT RELATED ENTITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Technical Assistance</u>	<u>Capital Assistance</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries and wages	\$ 5,708,348	\$ 980,929	\$ 9,568,689	\$ 16,257,966
Fringe benefits	1,802,687	309,776	3,038,276	5,150,739
Local salaries and fringe	23,293,311	24,172	523,636	23,841,119
Other benefits	1,785,773	58,372	35,031	1,879,176
Printing and production	45,602	4	7,540	53,146
Professional fees	519,969	116,914	742,580	1,379,463
Occupancy	1,818,479	5,066	873,314	2,696,859
Security costs	109,314	-	-	109,314
Insurance	444,099	-	214,743	658,842
Depreciation and amortization	-	-	246,100	246,100
Telecommunications	265,099	1,149	216,153	482,401
Travel	1,068,611	28,981	229,817	1,327,409
Consulting fees	1,811,905	299	942,343	2,754,547
Postage and delivery	43,172	3,798	8,611	55,581
Repairs and maintenance	256,666	-	295,416	552,082
Supplies	486,955	3	21,200	508,158
Dues, subscriptions and publications	14,368	-	267,812	282,180
Conferences	213,587	2,065	15,346	230,998
In-kind equipment and materials	63	-	-	63
In-kind professional fees	47,076	-	-	47,076
Equipment purchase and rental	812,250	14,313	618,784	1,445,347
Temporary help	178,733	-	48,443	227,176
Contracts	17,790,277	-	155,681	17,945,958
Assistance awards, not subject to OH	16,560,187	-	-	16,560,187
Assistance awards, subject to OH	1,068,957	-	-	1,068,957
Vehicle expense	288,714	-	-	288,714
Office operating expense	1,956	10	8,439	10,405
Participant training	3,064,751	-	-	3,064,751
Staff training and development	19,715	1,528	68,489	89,732
Construction expense and materials	10,429,849	-	1	10,429,850
Other	<u>1,288,284</u>	<u>4,191</u>	<u>217,381</u>	<u>1,509,856</u>
TOTAL	<u>\$ 91,238,757</u>	<u>\$ 1,551,570</u>	<u>\$ 18,363,825</u>	<u>\$ 111,154,152</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2020

	Related Entities										Total	
	Global Communities	Project Concern International	ATAS-M	Entiqal	Vitas Group	ATAS-DE	MCSE	GC Brazil	Vitas Palestine	Subtotal		Eliminations
ASSETS												
Cash and cash equivalents	\$ 25,597,437	\$ 14,049,029	\$ 2,133,116	\$ 3,341,766	\$ 47,379,671	\$ 9,463,008	\$ 6,380	\$ 87,110	\$ 9,440,578	\$ 111,498,095	\$ -	\$ 111,498,095
Investments	105,161,674	2,430,354	-	5,972,435	547,311	-	-	-	-	114,111,774	(61,817,379)	52,294,395
Loans receivable, net of allowance	-	-	-	-	100,117,339	71,932,292	-	-	47,492,459	219,542,090	-	219,542,090
Federal grants and contracts receivable	2,880,236	2,860,833	-	-	-	-	-	-	-	5,741,069	-	5,741,069
Non-Federal grants and contracts receivable	6,758,474	1,316,060	-	-	-	-	-	-	-	8,074,534	(111,675)	7,962,859
Interest and accounts receivable	174,420	-	-	425,763	6,847,445	386,585	-	-	2,385,494	10,219,707	42,195	10,261,902
Intracompany receivables	173,055	-	-	-	-	-	-	-	-	173,055	(173,055)	-
Intercompany receivables	12,260,786	-	-	13,985,390	2,119,525	1,847,990	424	-	-	30,214,115	(30,214,115)	-
Prepaid expenses and other assets	553,578	2,030,675	942,162	82,435	2,021,071	-	-	-	672,235	6,302,156	-	6,302,156
Inventory	-	731,345	-	-	-	-	-	-	-	731,345	-	731,345
Fixed and intangible assets, net	1,806,795	18,446	189,368	45,001	2,301,347	-	19,318	-	634,923	5,015,198	-	5,015,198
Security deposits	258,139	-	-	-	272,904	-	24,109	-	50,000	605,152	-	605,152
TOTAL ASSETS	\$ 155,624,594	\$ 23,436,742	\$ 3,264,646	\$ 23,852,790	\$ 161,606,613	\$ 83,629,875	\$ 50,231	\$ 87,110	\$ 60,675,689	\$ 512,228,290	\$ (92,274,029)	\$ 419,954,261
LIABILITIES												
Notes payable	\$ 6,950,000	\$ 1,286,300	\$ -	\$ -	\$ 114,570,074	\$ 73,000,000	\$ -	\$ -	\$ 30,403,039	\$ 226,209,413	\$ (11,111,870)	\$ 215,097,543
Accounts payable and accrued expenses	4,238,539	1,827,828	258,396	69,151	2,988,261	970,066	12,432	2,951	4,650,216	15,017,840	(198,057)	14,819,783
Intracompany payables	173,055	-	-	-	-	-	-	-	-	173,055	(173,055)	-
Intercompany payables	2,230,916	-	1,847,990	285	6,423,004	691,082	-	51,218	5,045,216	16,289,711	(16,289,711)	-
Accrued salaries and benefits	6,684,676	2,678,152	76,649	84,822	1,218,290	-	7,200	32,941	2,217,320	13,000,050	-	13,000,050
Refundable advance	-	1,324,811	-	-	-	-	-	-	-	1,324,811	-	1,324,811
Deferred rent	2,048,578	382,508	-	-	-	-	-	-	-	2,431,086	-	2,431,086
Other liabilities	-	6,253	943,911	484,277	1,619,677	-	-	-	496,469	3,550,587	-	3,550,587
Funds held in trust	3,570,606	-	-	-	-	-	-	-	-	3,570,606	-	3,570,606
Total liabilities	25,896,370	7,505,852	3,126,946	638,535	126,819,306	74,661,148	19,632	87,110	42,812,260	281,567,159	(27,772,693)	253,794,466
NET ASSETS												
Without donor restrictions:												
Controlling interest	115,341,908	1,856,261	137,700	23,214,255	21,482,945	8,968,727	30,599	-	17,863,429	188,895,824	(57,122,853)	131,772,971
Noncontrolling interest	-	-	-	-	13,304,362	-	-	-	-	13,304,362	(7,378,483)	5,925,879
With donor restrictions	14,386,316	14,074,629	-	-	-	-	-	-	-	28,460,945	-	28,460,945
Total net assets	129,728,224	15,930,890	137,700	23,214,255	34,787,307	8,968,727	30,599	-	17,863,429	230,661,131	(64,501,336)	166,159,795
TOTAL LIABILITIES AND NET ASSETS	\$ 155,624,594	\$ 23,436,742	\$ 3,264,646	\$ 23,852,790	\$ 161,606,613	\$ 83,629,875	\$ 50,231	\$ 87,110	\$ 60,675,689	\$ 512,228,290	\$ (92,274,029)	\$ 419,954,261

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Related Entities

	Global Communities	Project Concern International	ATAS-M	Entiqal	Vitas Group
REVENUE AND SUPPORT					
Grants and contributions	\$ 83,597,831	\$ 21,904,506	\$ -	\$ -	\$ -
Contracts	11,460,520	-	-	415,177	-
In-kind contributions	47,139	757,793	-	-	-
Interest and investment income	4,739,320	164,020	3,549	-	27,118,873
Commission income	-	-	-	-	1,888,385
Other income/loss	(5,573,833)	-	1,059,842	3,089,265	925,398
Total revenue and support	<u>94,270,977</u>	<u>22,826,319</u>	<u>1,063,391</u>	<u>3,504,442</u>	<u>29,932,656</u>
EXPENSES	<u>111,154,152</u>	<u>23,637,519</u>	<u>1,063,391</u>	<u>2,222,115</u>	<u>31,716,774</u>
CHANGE IN NET ASSETS	<u><u>\$ (16,883,175)</u></u>	<u><u>\$ (811,200)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,282,327</u></u>	<u><u>\$ (1,784,118)</u></u>

ATAS-DE	MCSE	GC Brazil	Vitas Palestine	Express Microfinance- SAS - Colombia	Eliminations	Related Entity Subtotal	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,904,506	\$ 105,502,337
-	572,215	-	-	-	(572,215)	415,177	11,875,697
-	-	-	-	-	-	757,793	804,932
13,037,697	-	3,157	6,084,192	-	(256,040)	46,405,445	50,894,768
2,480,028	-	-	458,780	-	-	4,827,193	4,827,193
-	-	482,134	165,894	9	1,234,789	1,345,761	1,383,498
15,517,725	572,215	485,291	6,708,866	9	406,534	75,655,875	175,288,425
24,797,829	565,088	485,291	7,869,741	-	(9,193,880)	88,947,175	194,318,020
\$ (9,280,104)	\$ 7,127	\$ -	\$ (1,160,875)	\$ 9	\$ 9,600,414	\$ (13,291,300)	\$ (19,029,595)

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINING SCHEDULE OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Global Communities	Related Entities			
		Project Concern International	ATAS-M	Entiqal	Vitas Group
WITHOUT DONOR RESTRICTIONS					
Beginning of year net assets	\$ 119,218,267	\$ -	\$ 137,700	\$ 21,931,928	\$ 36,571,425
Colombia investment transfer	-	-	-	-	-
Transfer of PCI net assets	-	2,644,045	-	-	-
Dividends declared	-	-	-	-	-
Change in net assets	(3,876,359)	(787,784)	-	1,282,327	(1,784,118)
END OF YEAR NET ASSETS	\$ 115,341,908	\$ 1,856,261	\$ 137,700	\$ 23,214,255	\$ 34,787,307
WITH DONOR RESTRICTIONS					
Beginning of year net assets	\$ 27,393,132	\$ -	\$ -	\$ -	\$ -
Transfer of PCI net assets	-	14,098,045	-	-	-
Change in net assets	(13,006,816)	(23,416)	-	-	-
END OF YEAR NET ASSETS	\$ 14,386,316	\$ 14,074,629	\$ -	\$ -	\$ -
TOTAL					
Beginning of year net assets	\$ 146,611,399	\$ -	\$ 137,700	\$ 21,931,928	\$ 36,571,425
Colombia investment transfer	-	-	-	-	-
Transfer of PCI net assets	-	16,742,090	-	-	-
Dividends declared	-	-	-	-	-
Change in net assets	(16,883,175)	(811,200)	-	1,282,327	(1,784,118)
END OF YEAR NET ASSETS	\$ 129,728,224	\$ 15,930,890	\$ 137,700	\$ 23,214,255	\$ 34,787,307

ATAS-DE	MCSE	Vitas Palestine	Express Microfinanzas- SAS - Colombia	Subtotal	Eliminations	Total
\$ 18,248,831	\$ 23,472	\$ 19,274,304	\$ 5,860	\$ 215,411,787	\$ (74,427,795)	\$ 140,983,992
-	-	-	(5,869)	(5,869)	76,045	70,176
-	-	-	-	2,644,045	-	2,644,045
-	-	(250,000)	-	(250,000)	250,000	-
(9,280,104)	7,127	(1,160,875)	9	(15,599,777)	9,600,414	(5,999,363)
\$ 8,968,727	\$ 30,599	\$ 17,863,429	\$ -	\$ 202,200,186	\$ (64,501,336)	\$ 137,698,850
\$ -	\$ -	\$ -	\$ -	\$ 27,393,132	\$ -	\$ 27,393,132
-	-	-	-	14,098,045	-	14,098,045
-	-	-	-	(13,030,232)	-	(13,030,232)
\$ -	\$ -	\$ -	\$ -	\$ 28,460,945	\$ -	\$ 28,460,945
\$ 18,248,831	\$ 23,472	\$ 19,274,304	\$ 5,860	\$ 242,804,919	\$ (74,427,795)	\$ 168,377,124
-	-	-	(5,869)	(5,869)	76,045	70,176
-	-	-	-	16,742,090	-	16,742,090
-	-	(250,000)	-	(250,000)	250,000	-
(9,280,104)	7,127	(1,160,875)	9	(28,630,009)	9,600,414	(19,029,595)
\$ 8,968,727	\$ 30,599	\$ 17,863,429	\$ -	\$ 230,661,131	\$ (64,501,336)	\$ 166,159,795