

AUDIT REPORT ON COMBINED FINANCIAL STATEMENTS

**GLOBAL COMMUNITIES AND
RELATED ENTITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

GLOBAL COMMUNITIES AND RELATED ENTITIES

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 4
EXHIBIT A - Combined Statement of Financial Position, as of September 30, 2023, with Summarized Financial Information for 2022	5
EXHIBIT B - Combined Statement of Activities, for the Year Ended September 30, 2023, with Summarized Financial Information for 2022	6
EXHIBIT C - Combined Statement of Functional Expenses, for the Year Ended September 30, 2023, with Summarized Financial Information for 2022	7
EXHIBIT D - Combined Statement of Change in Net Assets, for the Year Ended September 30, 2023, with Summarized Financial Information for 2022	8
EXHIBIT E - Combined Statement of Cash Flows, for the Year Ended September 30, 2023, with Summarized Financial Information for 2022	9
NOTES TO COMBINED FINANCIAL STATEMENTS	10 - 31
SUPPLEMENTAL INFORMATION	
SCHEDULE 1 - Schedule of Functional Expenses Without Related Entities, for the Year Ended September 30, 2023	32
SCHEDULE 2 - Combining Schedule of Financial Position, for the Year Ended September 30, 2023	33 - 34
SCHEDULE 3 - Combining Schedule of Activities, for the Year Ended September 30, 2023	35 - 36
SCHEDULE 4 - Combining Schedule of Change in Net Assets, for the Year Ended September 30, 2023	37 - 38



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2023, 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.

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, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Global Communities and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Communities's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

4550 MONTGOMERY AVENUE · SUITE 800 NORTH · BETHESDA, MARYLAND 20814
(301) 951-9090 · WWW.GRFCPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Global Communities' 2022 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated March 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combining Schedule of Functional Expenses Without Related Entities on page 32, the Combining Schedule of Financial Position on pages 33 - 34, the Combining Schedule of Activities on pages 35 - 36 and the Combining Schedule of Change in Net Assets on pages 37 - 38 are presented for purposes of additional analysis and are not a required part of the 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 combined 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.

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 22, 2024, 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.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

March 22, 2024

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

ASSETS	2023	2022
Cash and cash equivalents	\$ 88,974,952	\$ 72,418,043
Investments	57,055,934	50,564,905
Loans receivable, net of allowances	234,561,400	225,487,423
Federal grants and contracts receivable	9,254,526	9,079,496
Non-Federal grants and contracts receivable	18,746,302	32,801,876
Interest and accounts receivable	9,197,394	7,266,753
Prepaid expenses and other assets	5,856,999	4,336,181
Fixed and intangible assets, net	13,058,062	11,989,423
Security deposits	784,157	682,529
TOTAL ASSETS	\$ 437,489,726	\$ 414,626,629
LIABILITIES AND NET ASSETS		
LIABILITIES		
Notes payable	\$ 220,367,348	\$ 188,147,041
Accounts payable and accrued expenses	25,481,958	21,912,135
Accrued salaries and benefits	14,115,369	13,513,781
Refundable advance	309,801	161,156
Deferred contracts	968,410	1,559,123
Other liabilities	5,112,672	5,887,644
Funds held in trust	1,620,872	2,438,275
Total liabilities	267,976,430	233,619,155
NET ASSETS		
Without donor restrictions:		
Global Communities	106,710,638	106,081,406
Related Entities:		
Controlling interest	24,799,399	24,407,548
Noncontrolling interest	3,064,724	5,978,611
Total net assets without donor restrictions	134,574,761	136,467,565
With donor restrictions:		
Global Communities:		
Project Funds	32,840,006	34,531,843
Loan Capital	1,836,762	1,836,762
Related Entities:		
Controlling interest	261,767	8,171,304
Total net assets with donor restrictions	34,938,535	44,539,909
Total net assets	169,513,296	181,007,474
TOTAL LIABILITIES AND NET ASSETS	\$ 437,489,726	\$ 414,626,629

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 161,174,816	\$ 12,888,818	\$ 174,063,634	\$ 183,998,615
Contracts	9,428,054	-	9,428,054	15,100,952
Contributed nonfinancial assets	723,791	-	723,791	130,015
Interest and investment income	56,693,601	26,475	56,720,076	37,829,909
Commission income	6,667,460	-	6,667,460	7,120,499
Other income	2,110,548	-	2,110,548	2,231,838
Net assets released from restrictions - satisfaction of donor restrictions	<u>21,017,617</u>	<u>(21,017,617)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>257,815,887</u>	<u>(8,102,324)</u>	<u>249,713,563</u>	<u>246,411,828</u>
EXPENSES				
Program Services:				
Technical Assistance	163,793,576	-	163,793,576	155,369,732
Capital Assistance	<u>59,819,767</u>	<u>-</u>	<u>59,819,767</u>	<u>56,966,987</u>
Total program services	<u>223,613,343</u>	<u>-</u>	<u>223,613,343</u>	<u>212,336,719</u>
Supporting Services:				
General and Administrative	<u>36,180,066</u>	<u>-</u>	<u>36,180,066</u>	<u>35,162,784</u>
Total supporting services	<u>36,180,066</u>	<u>-</u>	<u>36,180,066</u>	<u>35,162,784</u>
Total expenses	<u>259,793,409</u>	<u>-</u>	<u>259,793,409</u>	<u>247,499,503</u>
Change in net assets before other items	(1,977,522)	(8,102,324)	(10,079,846)	(1,087,675)
OTHER ITEMS				
Gain on currency translation	166,342	-	166,342	3,797,058
Deobligation of grant funds	<u>-</u>	<u>(1,499,050)</u>	<u>(1,499,050)</u>	<u>-</u>
CHANGE IN NET ASSETS	\$ <u>(1,811,180)</u>	\$ <u>(9,601,374)</u>	\$ <u>(11,412,554)</u>	\$ <u>2,709,383</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023					2022	
	Program Services			Supporting Services		Total Expenses	Total Expenses
	Technical Assistance	Capital Assistance	Total Program Services	General and Administrative	Total Supporting Services		
Salaries and wages	\$ 7,123,663	\$ 802,189	\$ 7,925,852	\$ 15,852,154	\$ 15,852,154	\$ 23,778,006	\$ 24,789,589
Fringe benefits	2,356,941	265,691	2,622,632	5,249,041	5,249,041	7,871,673	7,971,092
Local salaries and fringe	32,786,233	24,245,245	57,031,478	3,574,825	3,574,825	60,606,303	59,216,609
Other benefits	2,177,815	60,579	2,238,394	117,324	117,324	2,355,718	2,292,910
Printing and production	120,118	144,660	264,778	14,007	14,007	278,785	304,288
Professional fees	3,950,882	1,027,005	4,977,887	1,189,488	1,189,488	6,167,375	11,250,158
Occupancy	1,994,942	1,401,128	3,396,070	728,376	728,376	4,124,446	4,928,937
Security costs	193,189	-	193,189	-	-	193,189	568,370
Insurance	419,246	524,036	943,282	412,337	412,337	1,355,619	1,804,969
Depreciation and amortization	-	859,717	859,717	232,743	232,743	1,092,460	1,192,924
Lease amortization	-	120,175	120,175	49,661	49,661	169,836	495,548
Telecommunications	402,653	1,218,321	1,620,974	141,634	141,634	1,762,608	2,171,617
Travel	3,383,532	431,310	3,814,842	880,795	880,795	4,695,637	4,303,823
Consulting fees	2,615,666	-	2,615,666	825,154	825,154	3,440,820	3,115,483
Postage and delivery	54,118	2,308	56,426	14,163	14,163	70,589	86,705
Repairs and maintenance	340,296	213,468	553,764	497,296	497,296	1,051,060	1,072,007
Supplies	663,955	481,330	1,145,285	217,576	217,576	1,362,861	1,398,131
Dues, subscriptions and publications	35,210	89,038	124,248	304,463	304,463	428,711	489,681
Conferences	940,734	67	940,801	182,372	182,372	1,123,173	904,411
In-kind equipment and materials	-	-	-	-	-	-	12,250
In-kind professional fees	723,791	-	723,791	-	-	723,791	117,765
Equipment purchase and rental	2,415,674	73,392	2,489,066	1,651,556	1,651,556	4,140,622	3,690,202
Temporary help	325,106	25,794	350,900	52,212	52,212	403,112	765,850
Contracts	24,064,864	-	24,064,864	880,459	880,459	24,945,323	19,994,766
Assistance awards	36,721,281	6,479	36,727,760	-	-	36,727,760	35,971,761
Vehicle expense	1,796,105	37,750	1,833,855	112,815	112,815	1,946,670	1,539,923
Office operating expense	23,221	-	23,221	48,511	48,511	71,732	714,122
Participant training	8,133,070	-	8,133,070	-	-	8,133,070	12,607,269
Staff training and development	663,579	22,453	686,032	73,928	73,928	759,960	173,813
Construction expense and materials	26,983,133	-	26,983,133	1,396	1,396	26,984,529	18,019,024
Allowance for loan losses/recovery	-	5,051,440	5,051,440	-	-	5,051,440	5,695,974
Interest and taxes	-	18,671,975	18,671,975	13,720	13,720	18,685,695	14,011,188
Other	2,384,559	4,044,217	6,428,776	2,862,060	2,862,060	9,290,836	5,828,344
TOTAL	\$ 163,793,576	\$ 59,819,767	\$ 223,613,343	\$ 36,180,066	\$ 36,180,066	\$ 259,793,409	\$ 247,499,503

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, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	Without Donor Restrictions				With Donor Restrictions				2023 Total	2022 Total
	Global Communities	Related Entities		Total	Project Funds	Loan Capital Funds	Related Entities			
	Global Communities	Controlling Interest	Noncontrolling Interest	Total	Project Funds	Loan Capital Funds	Controlling Interest	Total		
Balance at beginning of year	\$ 106,081,406	\$ 24,407,548	\$ 5,978,611	\$ 136,467,565	\$ 34,531,843	\$ 1,836,762	\$ 8,171,304	\$ 44,539,909	\$ 181,007,474	\$ 178,298,091
Transfer of PCI net assets	866,414	(866,414)	-	-	4,614,819	-	(4,614,819)	-	-	-
Dividends declared	-	(81,624)	-	(81,624)	-	-	-	-	(81,624)	-
Change in net assets	<u>(237,182)</u>	<u>1,339,889</u>	<u>(2,913,887)</u>	<u>(1,811,180)</u>	<u>(6,306,656)</u>	<u>-</u>	<u>(3,294,718)</u>	<u>(9,601,374)</u>	<u>(11,412,554)</u>	<u>2,709,383</u>
BALANCE AT END OF YEAR	<u>\$ 106,710,638</u>	<u>\$ 24,799,399</u>	<u>\$ 3,064,724</u>	<u>\$ 134,574,761</u>	<u>\$ 32,840,006</u>	<u>\$ 1,836,762</u>	<u>\$ 261,767</u>	<u>\$ 34,938,535</u>	<u>\$ 169,513,296</u>	<u>\$ 181,007,474</u>

See accompanying notes to combined financial statements.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (11,412,554)	\$ 2,709,383
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Increase in loan allowance	424,821	4,394,637
Change in present value discount for grants receivable	32,451	390,059
Realized and unrealized (gain) loss on investments	(5,064,309)	11,728,767
Depreciation and amortization	1,092,460	1,192,924
Provision on Lebanese loans	19,682,059	(19,682,059)
Conversion of loan receivable option	500,000	-
Loss on disposal of fixed assets	1,415,301	-
(Increase) decrease in:		
Federal grants and contracts receivable	(175,030)	(789,049)
Non-Federal grants and contracts receivable	14,023,123	(17,478,663)
Interest and accounts receivable	(1,930,641)	1,688,683
Prepaid expenses and other assets	(1,520,818)	265,675
Inventory	-	237,089
Security deposits	(101,628)	191,398
Increase (decrease) in:		
Accounts payable and accrued expenses	3,569,823	2,628,472
Accrued salaries and benefits	601,588	(103,114)
Refundable advance	148,645	(165,731)
Deferred contracts	(590,713)	669,365
Other liabilities	(774,972)	(44,397)
Funds held in trust	(817,403)	(380,833)
Net cash provided (used) by operating activities	<u>19,102,203</u>	<u>(12,547,394)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease in gross loans receivable	(9,998,798)	(13,269,482)
Purchase of fixed assets	(3,576,400)	(3,107,963)
Investment purchases and reinvestments	(1,702,037)	(1,135,940)
Proceeds from sales of investments	275,317	358,322
Net cash used by investing activities	<u>(15,001,918)</u>	<u>(17,155,063)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	53,332,960	42,788,476
Principal payments on notes payable	(40,794,712)	(27,270,631)
Payment of dividends	(81,624)	-
Net cash provided by financing activities	<u>12,456,624</u>	<u>15,517,845</u>
Net increase (decrease) in cash and cash equivalents	16,556,909	(14,184,612)
Cash and cash equivalents at beginning of year	<u>72,418,043</u>	<u>86,602,655</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 88,974,952</u>	<u>\$ 72,418,043</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Global Communities 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 -

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

Global Communities 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 U.S. International Development Finance Corporation (DFC), (formerly Overseas Private Investment Corporation (OPIC)) and Global Communities.

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

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 began disbursing its first loans in April 2019.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Related entities (continued) -

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.

Ebtikar and Vitas Group terminated the Trademark Agreement and Software License and Purchase agreement by mutual consent, effective December 31, 2022.

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 2023.

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.

In April 2020, Global Communities and Project Concern International (PCI) announced they had entered into a merger agreement to work with more communities around the world to achieve long-lasting, transformational change. PCI operates as a wholly owned subsidiary of Global Communities until the time it is fully integrated in Global Communities operations. Following full integration, the combined entity will be known as Global Communities, with an international headquarters in Silver Spring. San Diego is the West Coast home of Global Communities and the base for expanding the impact of critical ongoing domestic health programs.

In July 2021, the United States Government through USAID's Office of the General Counsel fully accepted and signed a Novation Agreement that replaced PCI with Global Communities as the contractor of record with regard to Federal prime programs/awards. Accordingly, the majority of PCI's assets, liabilities and employees transferred to Global Communities effective September 1, 2021. PCI continues to maintain certain projects funded by private foundations and other donors with the assistance of Global Communities.

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 assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Basis of presentation (continued) -

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.
- **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, 2022, from which the summarized information was derived.

The accompanying combined financial statements include the world-wide operations of Global Communities. At September 30, 2023, assets held in foreign countries totaled approximately \$345,200,000.

New accounting pronouncement adopted -

During 2023, the Global Communities adopted ASU 2019-01, *Leases* (Topic 842), which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Combined Statement of Financial Position and disclosure of key information about leasing arrangements. The Global Communities applied the new standard using the modified retrospective approach and adopted the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See Note 12 for further details.

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.

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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Income taxes (continued) -

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-CHF 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.

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

Uncertain tax positions -

For the year ended September 30, 2023, 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. 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 \$10,484,561 as of September 30, 2023. Cash equivalents also include amounts held in an escrow account in the amount of \$1,620,872 as of September 30, 2023 (see Funds held in trust note.)

Global Communities and its Related Entities have operations in Lebanon. Effective October 2019, measures were adopted unofficially by Lebanese banks and financial institutions that limit the amounts that may be withdrawn by clients in cash. In addition, foreign exchange controls were implemented unofficially that effectively prohibit most bank transfers outside the country. Accordingly, Global Communities and its Related Entities has recorded an allowance for expected credit losses.

Loans receivable -

Loans receivable include loans made by Global Communities and related entities to financial institutions, who in turn lend these funds to low-income individuals or families in foreign countries for a variety of microfinance activities. Loans receivable also include loans made directly by Global Communities to individuals for similar purposes with fixed or determinable payments. The terms of the loans range from one month to sixty months and thereafter, the majority of which are at the prevailing market interest rates.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

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.

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.

Grants and contracts receivable -

Grants and contracts receivable approximate fair value. Non-Federal grants and contracts receivables that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Conditional promises to give, including Federal grants and contracts receivable, are not included as support until the conditions are substantially met. All Federal grants and contracts receivable are expected to be collected within one year. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Interest and accounts receivable -

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.

Fixed and intangible 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Funds held in trust -

On August 4, 2016, pursuant to the service agreement with the U.S. International Development Finance Corporation (DFC) dated as of September 22, 2011, the remaining aggregate amount of expenses payable by DFC 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 \$1,620,872 as of September 30, 2023 which is included in cash and cash equivalents on the accompanying Combined Statement of Financial Position.

Grants, contributions and contracts -

The majority of Global Communities' 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 under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants 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 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 combined financial statements.

Grant agreements qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grant 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 treated as conditional contributions, Global Communities had approximately \$239,759,000 in unrecognized conditional awards as of September 30, 2023.

Contracts classified as exchange transactions following ASU 2014-09, *Revenue from Contracts With Customers*, are recorded as revenue at a point in time when the performance obligations are met. Global Communities has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Funding received in advance of satisfying performance obligations are recorded as deferred revenue.

Receivables from contracts with customers and deferred revenue were \$1,211,585 and \$889,758, as of September 30, 2021.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Commission income -

Commission income that are integral to the effective interest rate on a financial asset (loans and advances to customers) are included in the measurement of the effective interest rate and assimilated to interest income. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period of time (loan term). Commission fees relate mainly to transaction and service fees, which are recognized as the services are delivered and accounted for under fees and commission income. Global Communities recognizes commission fee income as the service are provided to customers.

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.

Contributed nonfinancial assets -

Contributed nonfinancial assets (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 \$723,791 have been recorded as revenue and expenses in the accompanying combined financial statements for the year ended September 30, 2023. Global Communities also receives contributed services and materials (housing materials, supplies and tools) for which an estimate of the fair value is not determinable. 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 another 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

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.

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.

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 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Interest rate risk (continued) -

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. 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.

Economic uncertainties -

Lebanon Banking Industry

On February 1, 2023, the Central Bank of Lebanon devalued the official exchange rate from 1,507 Lebanese pounds per dollar to 15,000 Lebanese pounds per dollar. This event weakened the value of Lebanese currency by 90 percent. The official currency devaluation, along with the unofficial capital controls, have impacted the value in which Vitas Lebanon's monetary assets and liabilities are represented on a U.S. Dollar basis for purposes of reporting under generally accepted accounting principles.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Economic uncertainties (continued) -

Lebanon Banking Industry (continued)

Since operations of related entities occur in local currency, the impact of the currency devaluation is deemed to be an annual financial statement translation event only. Management has provided sufficient detail and projections to alleviate any going concern issues and will be closely monitoring the situation in Lebanon, and its impact on related entities that operate in the country, during the 2024 fiscal year. As of September 30, 2022 management has made a provision for the currency devaluation in the amount of \$19,682,059 based on the economic conditions in Lebanon at that time. The provision is included net of loans receivable and notes payable in the accompanying Combined Statements of Assets, Liabilities and Equities as of September 30, 2022. See Note 17 for analysis as of September 30, 2023.

Additionally, the Company is currently negotiating a rescheduling arrangement of its facilities with its foreign lenders whereby facilities which were initially due by September 30, 2023 are being extended for another term.

Based on the above and on the readiness of the parent company to provide any needed financial support, management believes there is no material uncertainty on the entity's ability to continue as a going concern.

War Risk

Global Communities has operations in Ukraine, Palestine and Lebanon. The political and economic situation in these regions has destabilized as a result of Russia's invasion of Ukraine and the war between Israel and Palestine (which has impacted Lebanon). Both wars continue to evolve as military activity proceeds and economic sanctions are imposed. Global Communities may be affected by the overall economic uncertainty and negative impacts on the economy arising from these wars. The degree to which Global Communities will be affected by the situations largely depends on the nature and duration of uncertain and unpredictable events.

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 \$61,798,000 of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2023. The majority of funds invested in foreign countries are uninsured.

3. INVESTMENTS

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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

3. INVESTMENTS (Continued)

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, 2023.

- *Money Market Funds* - The money market funds are open-end mutual funds that are registered with the Securities and Exchange Commission and are 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.
- *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.
- *Alternatives/Private (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 Combined Statement of Financial Position.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

3. INVESTMENTS (Continued)

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 investment portfolios transferred to Global Communities includes investments held by TSDF. 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 investments in common shares in a privately held companies without readily determinable fair value that are not traded in active markets. These Investments have been recorded under the cost method approach in accordance with ASC 321 when the fair value of the equity security is not readily determinable. Under the cost method approach the initial recognition of the equity security is recorded at cost, which generally equates to its fair value. Subsequently, the investment is measured at cost less any impairment loss and adjusted to fair value if observable price changes occur to an identical or similar security from the same issuer.

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, 2023. Global Communities accounts for other investments using the equity method as noted.

Asset Category:	Level 1	Level 2	Level 3	Investments Measured at NAV	Investments Measured with Equity Method	Total
Money market funds	\$ 10,484,561	\$ -	\$ -	\$ -	\$ -	\$ 10,484,561
Common stocks and mutual funds	24,351,058	-	-	-	-	24,351,058
Fixed income	14,513,585	-	-	-	-	14,513,585
Other investments:						
Investment in Tanmyeh (Union Company of Micro Financiers in Jordan):	-	-	-	-	11,753	11,753
Investment held by TSDF	-	-	150,765	-	-	150,765
Investment in Europe UG	-	-	-	-	25,000	25,000
Investment in BOAFO (local microfinance institution in Ghana):	-	-	-	-	956,305	956,305
Investment in Toters	-	-	-	-	626,256	626,256
Alternatives/Private	-	-	-	5,936,651	-	5,936,651
TOTAL	\$ 49,349,204	\$ -	\$ 150,765	\$ 5,936,651	\$ 1,619,314	\$ 57,055,934

There were no transfers between levels in the fair value hierarchy during the year ended September 30, 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

3. INVESTMENTS (Continued)

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, 2023:

	<u>Investments</u>
Beginning balance as of September 30, 2022	\$ 145,328
Net unrealized gain on investments	<u>5,437</u>
BALANCE AS OF SEPTEMBER 30, 2023	\$ <u>150,765</u>

During the year ended September 30, 2023, Global Communities recorded realized and unrealized gains on its investments of \$5,064,309. 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. Global Communities 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. 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 9.00% and 30.00% 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, 2023, consisted of the following:

Loans receivable	\$ 266,665,555
Less: Allowance for loan losses	(26,310,243)
Less: Unearned revenue	<u>(5,793,912)</u>
NET LOANS RECEIVABLE	\$ <u>234,561,400</u>

The following is an analysis of the aforementioned allowance as of September 30, 2023:

Balance, at beginning of year	\$ 25,885,422
Change to provision	4,635,210
Write-offs	(4,360,029)
Translation effect	<u>149,640</u>
BALANCE AS OF SEPTEMBER 30, 2023	\$ <u>26,310,243</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

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

Year Ending September 30,

2024		\$ 113,573,011
2025		63,577,389
2026		36,142,164
2027		12,768,885
2028		5,242,821
Thereafter		<u>3,257,130</u>
		<u>\$ 234,561,400</u>

During the year ended September 30, 2023, the total allowance for loan losses increased by \$424,821. The total allowance for loan losses, net of recoveries was \$3,642,123. During the year ended September 30, 2022, interest income earned on loans receivable, including other investment income, totaled approximately \$60,030,000.

5. NON-FEDERAL GRANTS AND CONTRACTS RECEIVABLE

As of September 30, 2023, contributors to Global Communities have made written promises to give of which \$19,202,564 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 8.5%. As of September 30, 2023, non-Federal grants and contracts are due as follows:

Less than one year		\$ 11,225,626
One to five years		<u>7,976,938</u>
		19,202,564
Less: Allowance to discount balance to present value		<u>(456,262)</u>
NON-FEDERAL GRANTS AND CONTRACTS RECEIVABLE		<u>\$ 18,746,302</u>

6. FIXED AND INTANGIBLE ASSETS

Fixed and intangible assets consisted of the following at September 30, 2023:

Furniture and fixtures		\$ 2,860,161
Building		5,533,551
Computers and equipment		2,870,839
Vehicles		1,202,007
Leasehold improvements		2,679,654
Land		<u>869,043</u>
		16,015,255
Less: Accumulated depreciation and amortization		<u>(6,010,722)</u>
		10,004,533
Net intangible assets		<u>3,053,529</u>
FIXED AND INTANGIBLE ASSETS, NET		<u>\$ 13,058,062</u>

Total depreciation and amortization expense for the year ended September 30, 2023 was \$1,092,460, of which \$9,349 was related to assets held by Global Communities and \$1,083,111 was related to assets held by the related entities.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

7. NOTES PAYABLE

As of September 30, 2023, Global Communities has outstanding notes payable aggregating \$220,367,348. The notes are due between October 1, 2023 and December 30, 2033. All notes payable are secured by Global Communities' loans receivable.

Global Communities must comply with certain debt covenants in relation to the note payable. In addition, the note payable is secured by certain assets. Following is a table of all notes payable as of September 30, 2023:

Entity	Lender's name	Date of Issue	Loan Currency	Original Amount in USD	Date of Maturity	Interest Rate	Commission	Balance 9/30/2023 in USD
GC HQ	Calvert Foundation	11/05/2021	USD	3,000,000	11/05/2024	5.00%	0.00%	\$ 3,000,000
ATAS DE	OPIC	10/05/2012	USD	30,000,000	12/30/2033	4.74%	0.00%	30,000,000
ATAS DE	OPIC	03/20/2013	USD	6,000,000	12/30/2033	5.03%	0.00%	6,000,000
ATAS DE	OPIC	06/26/2013	USD	6,000,000	12/30/2033	4.98%	0.00%	6,000,000
ATAS DE	OPIC	09/10/2013	USD	3,000,000	12/30/2033	5.74%	0.00%	3,000,000
ATAS DE	OPIC	02/21/2014	USD	920,000	12/30/2033	5.77%	0.00%	920,000
ATAS DE	OPIC	05/30/2014	USD	6,000,000	12/30/2033	5.52%	0.00%	6,000,000
ATAS DE	OPIC	01/04/2015	USD	5,000,000	12/30/2033	4.80%	0.00%	5,000,000
ATAS DE	OPIC	01/31/2017	USD	8,080,000	12/30/2033	4.74%	0.00%	8,080,000
ATAS DE	OPIC	12/20/2018	USD	3,000,000	12/30/2033	5.01%	0.00%	3,000,000
ATAS DE	OPIC	05/21/2019	USD	5,000,000	12/30/2033	5.01%	0.00%	5,000,000
Vitas Palestin	Quds Bank	08/11/2022	USD	1,000,000	09/11/2027	2.50%	0.00%	803,588
Vitas Palestin	Quds Bank	12/28/2022	USD	1,000,000	01/28/2028	2.50%	0.00%	887,872
Vitas Palestin	Quds 10	09/25/2023	USD	2,000,000	10/25/2028	7.50%	0.00%	2,000,000
Vitas Palestin	Sanad Fund	06/29/2020	USD	2,000,001	04/08/2024	4.07%	0.00%	571,430
Vitas Palestin	Sanad 7	12/15/2022	USD	6,000,000	10/05/2026	3.95%	0.00%	6,000,000
Vitas Palestin	The Palestinian Fund for Employment and Social Financing	01/30/2018	USD	2,011,022	04/30/2024	2.00%	0.00%	391,339
Vitas Palestin	Palestine Investment Fund	05/21/2019	USD	3,000,000	05/15/2024	3.75%	0.00%	656,668
Vitas Palestin	Palestine Investment Fund	12/29/2020	USD	2,000,000	06/29/2025	4.50%	0.00%	919,185
Vitas Palestin	Palestine Investment Fund	11/02/2022	USD	2,250,000	05/01/2027	4.50%	0.00%	2,120,864
Vitas Palestin	European Investment Bank	03/22/2019	USD	2,500,000	02/01/2024	5.31%	0.00%	312,500
Vitas Palestin	European Investment Bank	10/14/2021	USD	3,300,000	06/15/2026	3.96%	0.00%	1,980,000
Vitas Palestin	FMO Enterpreneurial Development Bank	05/14/2020	USD	5,000,000	04/22/2025	4.41%	0.00%	2,500,000
Vitas Palestin	Sanad Fund	11/16/2020	USD	2,000,000	04/08/2024	4.00%	0.00%	571,430
Vitas Palestin	EPCGF	12/31/2018	USD	1,000,000	03/31/2024	5.75%	0.00%	115,139
Vitas Palestin	Proparco Loan Payable	08/27/2020	USD	5,000,000	08/18/2025	4.05%	0.00%	2,857,143
Vitas Palestin	EPRD	12/13/2021	USD	1,500,000	10/14/2025	5.45%	0.00%	843,750
Vitas Palestin	EPRD2	07/14/2022	USD	1,500,000	01/12/2026	4.35%	0.00%	1,071,429
Vitas Palestin	PF Loan	01/05/2022	USD	770,000	12/31/2026	5.60%	0.00%	770,000
Vitas Palestin	BOP New	03/24/2022	USD	4,900,000	10/22/2026	3.75%	0.00%	3,810,682
Vitas Palestin	TNB	09/12/2022	USD	4,000,000	03/12/2028	2.80%	0.00%	3,775,125
Vitas Palestin	IFC	12/05/2022	USD	5,000,000	06/15/2027	4.00%	0.00%	5,000,000
Vitas Palestin	Housing Bank	03/29/2023	USD	3,000,000	03/30/2028	7.39%	0.00%	3,000,000
Vitas Jordan	Housing Bank (25129)	05/05/2016	JOD	9,000,000	withdrawal	9.50%	0.00%	16,409,361
Vitas Jordan	Cairo Amman Bank Revolving 25110	01/03/2015	JOD	6,500,000	withdrawal	9.15%	0.00%	12,864,909
Vitas Jordan	SANAD 25156	11/19/2021	USD	8,000,000	01/05/2025	5.60%	0.00%	4,800,009
Vitas Jordan	Jordan Commercial Bank	05/08/2019	JOD	5,000,000	withdrawal	8.50%	0.00%	4,149,581
Vitas Jordan	Al-Ethad Bank Revolving	07/01/2014	JOD	4,500,000	withdrawal	9.00%	0.25%	4,036,321
Vitas Jordan	Capital Bank Loan 25124	03/09/2015	JOD	4,000,000	withdrawal	8.25%	0.00%	2,624,006
Vitas Jordan	EALB (25128)	03/23/2016	JOD	3,000,000	withdrawal	8.00%	0.00%	3,240,571
Vitas Jordan	Invest Bank Loan- Revolving 25137	03/30/2017	JOD	6,000,000	withdrawal	9.00%	0.00%	2,245,910
Vitas Jordan	Jordan Kuwait (25155)	08/31/2021	JOD	2,000,000	12/01/2023	6.50%	0.00%	470,100
Vitas Jordan	SGBJ Bank Loan 25125	10/26/2015	JOD	1,000,000	withdrawal	8.65%	0.50%	640,140
Vitas Jordan	Symbiotics Sisav Lux	12/20/2021	USD	1,250,000	12/20/2023	5.50%	0.00%	312,501
Vitas Jordan	Symbiotics 25159	08/25/2022	USD	750,000	08/25/2024	6.00%	0.00%	750,001
Vitas Jordan	Symbiotics II	12/20/2021	USD	750,000	12/20/2023	5.50%	0.00%	187,500
Vitas Jordan	Symbiotics 25160	08/25/2022	USD	500,000	08/25/2024	6.00%	0.00%	500,001
Vitas Jordan	Symbiotics 25161	08/25/2022	USD	500,000	08/25/2024	6.00%	0.00%	500,001
Vitas Jordan	Sanad Loan 5M	08/23/2023	USD	5,000,000	10/05/2026	7.80%	0.00%	5,000,010
Vitas Jordan	Al-Ethad loan	08/20/2023	JOD	700,000	08/20/2026	8.00%	0.00%	959,883
Vitas Jordan	Jordan Ahli Bank	03/29/2023	JOD	2,000,000	withdrawal	9.50%	0.00%	2,543,496
Vitas Jordan	Symbiotics 8882	02/20/2023	USD	750,000	02/20/2025	7.25%	0.00%	750,000
Vitas Jordan	Symbiotics 8881	02/20/2023	USD	500,000	02/20/2025	7.25%	0.00%	500,000
Vitas Lebanon	KIVA Microfunds	07/21/2008	USD	n/a	09/30/2023	0.00%	0.00%	585,645
Vitas Lebanon	Fransabank S.A.L	11/12/2015	LBP	3,316,750	12/31/2023	4.79%	0.00%	16,664
Vitas Lebanon	Saradar Bank S.A.L	01/16/2018	LBP	9,950,250	12/31/2025	4.00%	0.00%	450,000
Vitas Lebanon	Microfinance Enhancement Facility	12/19/2018	USD	5,000,000	09/30/2023	5.25%	1.00%	5,822,536
Vitas Lebanon	Blue Orchard Microfinance	05/28/2019	USD	5,000,000	09/30/2023	5.25%	1.00%	5,986,071
Vitas Lebanon	responsAbility Investments AG	07/25/2019	USD	8,000,000	09/30/2023	5.25%	1.00%	9,612,824
Vitas Romani	EFSE 2 (i)	12/23/2020	RON	2,078,354	12/29/2023	10.25%	1.00%	230,399
Vitas Romani	EFSE 3 (ii)	07/06/2021	RON	3,155,941	07/15/2024	10.31%	1.00%	1,432,768
Vitas Romani	EFSE 5 (iii)	02/28/2023	EUR	2,122,994	03/31/2026	7.82%	1.00%	2,123,455
Vitas Romani	EFSE 6 (iv)	04/27/2023	RON	2,091,157	03/31/2026	10.70%	1.00%	2,091,779
Vitas Romani	impaktEU (vii)	07/11/2023	EUR	902,273	06/30/2028	8.00%	1.00%	918,513
Vitas Romani	responsAbility (N) (viii)	06/30/2021	RON	213,383	07/01/2024	7.00%	1.00%	72,118
Vitas Romani	responsAbility (O) (ix)	06/30/2021	RON	640,150	07/01/2024	7.00%	1.00%	217,201
Vitas Romani	responsAbility (P) (x)	10/15/2021	EUR	530,749	10/15/2024	7.00%	1.00%	357,750
Vitas Romani	responsAbility (Q) (xi)	10/15/2021	EUR	530,749	10/15/2024	7.00%	1.00%	358,727
Vitas Romani	Symbiotics (7) (xii)	08/31/2022	RON	1,600,376	06/30/2024	6.75%	1.00%	1,602,702
Vitas Romani	Symbiotics (8) (xiii)	09/01/2022	RON	1,173,609	05/21/2025	6.95%	1.00%	1,180,406

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

7. NOTES PAYABLE (Continued)

Following is a table of all notes payable as of September 30, 2023 (continued):

<u>Entity</u>	<u>Lender's name</u>	<u>Date of Issue</u>	<u>Loan Currency</u>	<u>Original Amount in USD</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Commission</u>	<u>Balance 9/30/2023 in USD</u>
Vitas Romani	Symbiotics (9) (xiv)	02/17/2023	RON	486,514	02/17/2026	9.63%	1.00%	\$ 492,109
Vitas Romani	Symbiotics (10) (xv)	02/20/2023	EUR	530,749	02/20/2026	6.00%	1.00%	534,375
Vitas Romani	Symbiotics (11) (xvi)	07/20/2023	RON	533,459	07/20/2026	9.50%	1.00%	543,453
Vitas Romani	Symbiotics (12) (xvii)	07/20/2023	RON	746,842	7/20/2026	9.45%	1.00%	760,761
Vitas Romani	Symbiotics (13) (xviii)	07/20/2023	RON	533,459	07/20/2026	9.50%	1.00%	543,453
Vitas Romani	Symbiotics (14) (xix)	07/20/2023	RON	533,459	07/20/2026	9.50%	1.00%	543,453
Vitas Romani	Symbiotics (15) (xx)	08/31/2023	RON	533,459	08/31/2026	9.50%	1.00%	537,683
Vitas Romani	Credit Agricole (xxi)	03/12/2020	RON	1,066,917	03/11/2024	8.00%	1.00%	458,283
Vitas Romani	CoopEst 3 (xxii)	10/03/2016	EUR	530,749	10/15/2023	6.50%	1.00%	542,251
Vitas Romani	EIF (xxiii)	04/07/2020	RON	1,920,451	05/15/2030	10.18%	0.50%	1,909,524
								<u>\$ 220,367,348</u>

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

<u>Year Ending September 30,</u>	
2024	\$ 86,765,360
2025	44,659,966
2026	21,720,704
2027	15,917,368
2028	9,016,366
Thereafter	<u>42,287,584</u>
	<u>\$ 220,367,348</u>

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted primarily of cash and cash equivalents, loans receivable (net of allowance for allowance for loan losses) 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, 2023 are to provide support for Global Communities' programs. Following is a summary of net assets with restrictions at September 30, 2023:

Project Funds:	
Colombia	\$ 116,762
Guatemala	244,242
Honduras	18,741,394
India	3,208,909
Kenya	226,609
Malawi	4,760
Nicaragua	25,254
Palestine	7,202,742
Syria	166,023
Tanzania	112,396
Various headquarters projects	2,325,934
Accumulated endowment earnings	<u>24,917</u>
	32,399,942
Amounts to be held in perpetuity - endowment	<u>701,831</u>
PROJECT FUNDS TOTAL	<u>\$ 33,101,773</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

8. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Loan Capital:	
Jordan	\$ 333,333
Lebanon	333,333
Palestine	<u>1,170,096</u>
LOAN CAPITAL TOTAL	\$ <u>1,836,762</u>
TOTAL	\$ <u>34,938,535</u>

During the year ended September 30, 2023, net assets with restrictions of \$21,017,617 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, 2023:

Project Funds:	
Argentina	\$ 152,916
Colombia	406,239
Guatemala	323,311
Honduras	6,819,101
India	5,301,982
Kenya	197,555
Malawi	149,968
Nicaragua	223,772
Palestine	2,200,995
Syria	2,871,399
Ukraine	655,137
Various headquarters projects	<u>1,715,242</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ <u>21,017,617</u>

9. 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	\$ 88,974,952
Investments	57,055,934
Current portion of loans receivable, net of allowances	113,573,011
Federal grants and contracts receivable	9,254,526
Non-Federal grants and contracts receivable	18,746,302
Interest and accounts receivable	<u>9,197,394</u>
Subtotal financial assets available	296,802,119
Less: Donor restricted funds	(34,236,704)
Less: Endowment funds to be invested in perpetuity	(701,831)
Less: Funds held in trust	<u>(1,620,872)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>260,242,712</u>

As part of 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

9. LIQUIDITY AND AVAILABILITY (Continued)

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. In addition, Global Communities has a line of credit agreement (as further discussed in Note 15) which allows for additional available borrowings up to \$3,000,000.

10. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended September 30, 2023, Global Communities was the beneficiary of donated goods and services which allowed Global Communities to provide greater resources toward various programs. There were no donor-imposed restrictions associated with the in-kind contributions during the year ended September 30, 2023. The value of these contributions is recorded at their fair value as of the date the donations were provided. To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended September 30, 2023.

Services	\$ <u>723,791</u>
-----------------	--------------------------

The following programs have benefited from these donated materials and services:

Technical Assistance	\$ <u>723,791</u>
-----------------------------	--------------------------

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.

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, 2023, total retirement plan expense for Global Communities was \$2,100,000.

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.

Global Communities 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

12. COMMITMENTS (Continued)

Effective October 1, 2022, Global Communities adopted ASU 2019-01, *Leases* (Topic 842). Global Communities elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. Global Communities also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. Global Communities adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs.

As a result, Global Communities recorded a right-of-use assets in the amount of \$3,759,797. Global Communities recorded an operating lease liabilities in the amount of \$5,692,461.

These implementation date amounts were determined by calculating the present value of all future rentals using a discount rate of 4.57%. The operating lease right-of-use assets totaled \$2,081,015 as of September 30, 2023 and is included in prepaid expenses and other assets on the accompanying Combined Statement of Financial Position. The operating lease liabilities totaled \$2,973,262 as of September 30, 2023 and is included in other liabilities on the accompanying Combined Statement of Financial Position. As of September 30, 2023, the weighted-average remaining lease term and rate for the leases is 0.81 years and 4.57%, respectively.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of September 30, 2023:

<u>Year Ending September 30,</u>	
2024	\$ 2,375,047
2025	577,405
2026	123,343
Less: Imputed interest	<u>(102,533)</u>
OPERATING LEASE LIABILITY	<u>\$ 2,973,262</u>

Total occupancy expense under long-term lease commitments for the year ended September 30, 2023, was approximately \$1,876,000 for Global Communities and related entities.

Global Communities and related entities also leases office space in numerous foreign countries under short-term lease agreements. Total occupancy expense under short-term lease agreements for the year ended September 30, 2023, was approximately \$2,248,000 for Global Communities. Total occupancy expense for Global Communities and related entities totaled approximately \$4,124,000. Of which \$2,089,000 pertained to Global Communities and \$2,035,000 pertained to the related entities.

Related entities recorded a right-of-use assets in the amount of \$5,081,872 and offsetting lease liabilities in the amount of \$4,735,401. As of September 30, 2023, the right-of-use assets and lease liability balances were \$2,245,679 and \$2,088,857, respectively, which is included in prepaid expenses and other assets and other liabilities in the accompanying combined financial statements, respectively.

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. The weighted average rate used to discount lease payments was 6.99% as of September 30, 2023.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

13. CONTINGENCIES

United States Government funding -

Global Communities receives grants from various agencies of the United States Government. 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 2023. 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, 2023, Global Communities had assets in various countries in the Middle East, Eastern Europe, Africa, Asia and Central and South America, totaling approximately \$343,500,000, which represents approximately 79% of Global Communities' total assets as of September 30, 2023.

14. ECONOMIC DEPENDENCY

Approximately 87% of Global Communities' total revenue and support, excluding in-kind contributions and related entity revenue for the year ended September 30, 2023, 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.

15. LINE OF CREDIT

Global Communities has a \$3,000,000 line of credit with a bank. The line of credit has an interest rate of OBFR plus 1.5%. The line of credit is secured by the long-term investment portfolio.

As of September 30, 2023, there was no outstanding balance on the line of credit.

16. SUPPLEMENTAL CASH FLOW INFORMATION

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

Interest Paid - Related Entities	<u>\$ 12,405,659</u>
Taxes Paid - Related Entities	<u>\$ 6,275,220</u>
Right-of-Use Asset	<u>\$ 3,759,797</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ 5,692,461</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

17. ENDOWMENT

Global Communities' 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 Director's has interpreted 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, 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 Global Communities 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, 2023:

	<u>Without Donor Restrictions</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>24,917</u>	<u>24,917</u>
TOTAL ENDOWMENT FUNDS	<u>\$ -</u>	<u>\$ 726,748</u>	<u>\$ 726,748</u>

Endowment assets are compromised of the following at September 30, 2023:

Investments managed by Global Communities	\$ 575,983
Investments held by TSDF	<u>150,765</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 726,748</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2023

17. 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, 2023.

Return Objectives and Risk Parameters -

Global Communities 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 -

Global Communities 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.

18. SUBSEQUENT EVENTS

In preparing these combined financial statements, Global Communities has evaluated events and transactions for potential recognition or disclosure through March 22, 2024, the date the combined financial statements were issued.

On January 31, 2024, the Central Bank of Lebanon devalued the official exchange rate used by regulated financial institutions, including Vitas Lebanon, from 15,000 Lebanese pounds per dollar to 89,500 Lebanese pounds per dollar. This weakened the value of Lebanese currency by around 83 percent. The currency devaluation is expected to reduce the value of Vitas Lebanon's Equity during the year ended September 30, 2024.

SUPPLEMENTAL INFORMATION

GLOBAL COMMUNITIES AND RELATED ENTITIES

SCHEDULE OF FUNCTIONAL EXPENSES WITHOUT RELATED ENTITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Technical Assistance</u>	<u>Capital Assistance</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries and wages	\$ 7,123,663	\$ 802,189	\$ 15,852,154	\$ 23,778,006
Fringe benefits	2,356,941	265,691	5,249,041	7,871,673
Local salaries and fringe	32,675,120	30,570	1,612,297	34,317,987
Other benefits	2,177,815	60,579	117,324	2,355,718
Printing and production	119,885	-	14,007	133,892
Professional fees	960,194	232,341	842,725	2,035,260
Occupancy	1,994,671	5,165	685,669	2,685,505
Security costs	193,189	-	-	193,189
Insurance	419,246	64,344	406,170	889,760
Depreciation and amortization	-	-	9,349	9,349
Telecommunications	399,075	1,314	103,999	504,388
Travel	3,338,616	23,894	725,929	4,088,439
Consulting fees	2,615,666	-	825,154	3,440,820
Postage and delivery	54,118	2,308	14,163	70,589
Repairs and maintenance	330,192	-	477,100	807,292
Supplies	662,245	-	25,867	688,112
Dues, subscriptions and publications	35,210	-	297,320	332,530
Conferences	687,296	67	182,371	869,734
In-kind professional fees	723,791	-	-	723,791
Equipment purchase and rental	2,415,674	13,882	1,651,556	4,081,112
Temporary help	325,106	-	52,212	377,318
Contracts	24,064,864	-	880,459	24,945,323
Assistance awards, not subject to OH	30,321,559	-	-	30,321,559
Assistance awards, subject to OH	1,532,326	-	-	1,532,326
Vehicle expense	1,796,105	-	-	1,796,105
Office operating expense	23,221	-	48,511	71,732
Participant training	8,131,876	-	-	8,131,876
Staff training and development	117,519	-	73,928	191,447
Construction expense and materials	26,781,149	-	1,396	26,782,545
Other	<u>2,358,125</u>	<u>308,141</u>	<u>2,472,181</u>	<u>5,138,447</u>
TOTAL	<u>\$ 154,734,457</u>	<u>\$ 1,810,485</u>	<u>\$ 32,620,882</u>	<u>\$ 189,165,824</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2023

	Global Communities	Related Entities				
		Project Concern International	ATAS-M	Entiqal	Vitas Group	ATAS-DE
ASSETS						
Cash and cash equivalents	\$ 31,306,160	\$ 903,977	\$ 1,420,629	\$ 1,118,501	\$ 28,927,876	\$ 14,474,476
Investments	111,261,631	-	-	11,461,022	1,352,673	-
Loans receivable, net of allowances	-	-	-	-	111,603,159	58,517,448
Federal grants and contracts receivable	9,254,526	-	-	-	-	-
Non-Federal grants and contracts receivable	18,687,173	59,129	-	-	-	-
Interest and accounts receivable	519,869	-	-	467,398	6,220,571	-
Intracompany receivables	195,911	-	-	-	-	-
Intercompany receivables	9,045,911	391,367	-	7,472,451	23,501	1,675,548
Prepaid expenses and other assets	3,277,491	488	408,778	80,580	1,538,070	-
Fixed and intangible assets, net	2,050,167	-	111,866	13,570	8,958,479	-
Security deposits	411,702	-	-	-	317,553	-
TOTAL ASSETS	\$ 186,010,541	\$ 1,354,961	\$ 1,941,273	\$ 20,613,522	\$ 158,941,882	\$ 74,667,472
LIABILITIES						
Notes payable	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 110,215,011	\$ 73,000,000
Accounts payable and accrued expenses	8,528,233	681,022	126,172	345,354	3,907,628	1,104,695
Intracompany payables	195,911	-	-	-	-	-
Intercompany payables	391,367	-	1,210,837	285	7,971,556	1,000,000
Accrued salaries and benefits	10,191,074	-	30,471	38,683	766,531	-
Refundable advance	-	309,801	-	-	-	-
Deferred contracts	168,980	-	-	799,430	-	-
Other liabilities	2,973,262	2,373	436,093	47,256	1,016,443	-
Funds held in trust	2,406,356	-	-	-	-	-
Total liabilities	27,855,183	993,196	1,803,573	1,231,008	123,877,169	75,104,695
NET ASSETS						
Without donor restrictions:						
Controlling interest	123,478,590	99,998	137,700	19,382,514	20,485,902	(437,223)
Noncontrolling interest	-	-	-	-	14,578,811	-
With donor restrictions	34,676,768	261,767	-	-	-	-
Total net assets	158,155,358	361,765	137,700	19,382,514	35,064,713	(437,223)
TOTAL LIABILITIES AND NET ASSETS	\$ 186,010,541	\$ 1,354,961	\$ 1,941,273	\$ 20,613,522	\$ 158,941,882	\$ 74,667,472

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2023**

	Related Entities (Continued)					
	MCSE	GC Brazil	Vitas Palestine	Subtotal	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 5,213	\$ 421,563	\$ 10,396,557	\$ 88,974,952	\$ -	\$ 88,974,952
Investments	-	-	-	124,075,326	(67,019,392)	57,055,934
Loans receivable, net of allowances	-	-	64,440,793	234,561,400	-	234,561,400
Federal grants and contracts receivable	-	-	-	9,254,526	-	9,254,526
Non-Federal grants and contracts receivable	-	-	-	18,746,302	-	18,746,302
Interest and accounts receivable	-	-	1,645,454	8,853,292	344,102	9,197,394
Intracompany receivables	-	-	-	195,911	(195,911)	-
Intercompany receivables	37,885	-	-	18,646,663	(18,646,663)	-
Prepaid expenses and other assets	253	-	872,112	6,177,772	(320,773)	5,856,999
Fixed and intangible assets, net	-	-	1,923,980	13,058,062	-	13,058,062
Security deposits	4,902	-	50,000	784,157	-	784,157
TOTAL ASSETS	\$ 48,253	\$ 421,563	\$ 79,328,896	\$ 523,328,363	\$ (85,838,637)	\$ 437,489,726
LIABILITIES						
Notes payable	\$ -	\$ -	\$ 40,958,144	\$ 227,173,155	\$ (6,805,807)	\$ 220,367,348
Accounts payable and accrued expenses	7,276	3,288	10,911,742	25,615,410	(133,452)	25,481,958
Intracompany payables	-	-	-	195,911	(195,911)	-
Intercompany payables	-	295,053	29,493	10,898,591	(10,898,591)	-
Accrued salaries and benefits	10,582	123,222	2,954,806	14,115,369	-	14,115,369
Refundable advance	-	-	-	309,801	-	309,801
Deferred contracts	-	-	-	968,410	-	968,410
Other liabilities	-	-	637,245	5,112,672	-	5,112,672
Funds held in trust	-	-	-	2,406,356	(785,484)	1,620,872
Total liabilities	17,858	421,563	55,491,430	286,795,675	(18,819,245)	267,976,430
NET ASSETS						
Without donor restrictions:						
Controlling interest	30,395	-	23,837,466	187,015,342	(55,505,305)	131,510,037
Noncontrolling interest	-	-	-	14,578,811	(11,514,087)	3,064,724
With donor restrictions	-	-	-	34,938,535	-	34,938,535
Total net assets	30,395	-	23,837,466	236,532,688	(67,019,392)	169,513,296
TOTAL LIABILITIES AND NET ASSETS	\$ 48,253	\$ 421,563	\$ 79,328,896	\$ 523,328,363	\$ (85,838,637)	\$ 437,489,726

GLOBAL COMMUNITIES AND RELATED ENTITIES

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Related Entities					
	Global Communities	Project Concern International	ATAS-M	Entiqal	Vitas Group	ATAS-DE
REVENUE AND SUPPORT						
Grants and contributions, including deobligated grant funds	\$ 167,356,501	\$ 4,884,718	\$ -	\$ -	\$ -	\$ 323,365
Contracts	7,093,488	-	-	2,334,566	-	-
Contributed nonfinancial assets	723,791	-	-	-	-	-
Interest and investment income	6,495,583	44,354	5,394	-	26,048,408	13,442,402
Commission income	-	-	-	-	2,644,424	2,380,937
Other income, including gain on currency translation	2,512,704	26	1,200,229	483,821	1,692,601	-
Total revenue and support	<u>184,182,067</u>	<u>4,929,098</u>	<u>1,205,623</u>	<u>2,818,387</u>	<u>30,385,433</u>	<u>16,146,704</u>
EXPENSES	<u>189,165,824</u>	<u>7,983,032</u>	<u>1,205,623</u>	<u>3,651,255</u>	<u>36,119,128</u>	<u>19,149,996</u>
CHANGE IN NET ASSETS	<u>\$ (4,983,757)</u>	<u>\$ (3,053,934)</u>	<u>\$ -</u>	<u>\$ (832,868)</u>	<u>\$ (5,733,695)</u>	<u>\$ (3,003,292)</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Related Entities (Continued)					Total
	MCSE	GC Brazil	Vitas Palestine	Eliminations	Related Entity Subtotal	
REVENUE AND SUPPORT						
Grants and contributions, including deobligated grant funds	\$ -	\$ -	\$ -	\$ -	\$ 5,208,083	\$ 172,564,584
Contracts	190,940	-	-	(190,940)	2,334,566	9,428,054
Contributed nonfinancial assets	-	-	-	-	-	723,791
Interest and investment income	-	79,684	10,683,935	(79,684)	50,224,493	56,720,076
Commission income	-	-	1,642,099	-	6,667,460	6,667,460
Other income, including gain on currency translation	-	834,380	300,291	(4,747,162)	(235,814)	2,276,890
Total revenue and support	190,940	914,064	12,626,325	(5,017,786)	64,198,788	248,380,855
EXPENSES	195,272	914,064	10,045,100	(8,635,885)	76,896,043	259,793,409
CHANGE IN NET ASSETS	\$ (4,332)	\$ -	\$ 2,581,225	\$ 3,618,099	\$ (12,697,255)	\$ (11,412,554)

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINING SCHEDULE OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Global Communities	Project Concern International	Related Entities			
			ATAS-M	Entiqal	Vitas Group	ATAS-DE
WITHOUT DONOR RESTRICTIONS						
Beginning of year net assets	\$ 121,289,277	\$ 725,628	\$ 137,700	\$ 20,215,382	\$ 40,976,729	\$ 2,566,069
Transfer of PCI net assets	866,414	(866,414)	-	-	-	-
Dividends declared	-	-	-	-	(178,321)	-
Change in net assets	1,322,899	240,784	-	(832,868)	(5,733,695)	(3,003,292)
END OF YEAR NET ASSETS	123,478,590	99,998	137,700	19,382,514	35,064,713	(437,223)
WITH DONOR RESTRICTIONS						
Beginning of year net assets	36,368,605	8,171,304	-	-	-	-
Transfer of PCI net assets	4,614,819	(4,614,819)	-	-	-	-
Change in net assets	(6,306,656)	(3,294,718)	-	-	-	-
END OF YEAR NET ASSETS	34,676,768	261,767	-	-	-	-
TOTAL						
Beginning of year net assets	157,657,882	8,896,932	137,700	20,215,382	40,976,729	2,566,069
Transfer of PCI net assets	5,481,233	(5,481,233)	-	-	-	-
Dividends declared	-	-	-	-	(178,321)	-
Change in net assets	(4,983,757)	(3,053,934)	-	(832,868)	(5,733,695)	(3,003,292)
END OF YEAR NET ASSETS	\$ 158,155,358	\$ 361,765	\$ 137,700	\$ 19,382,514	\$ 35,064,713	\$ (437,223)

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINING SCHEDULE OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Related Entities (Continued)</u>				
	<u>MCSE</u>	<u>Vitas Palestine</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Total</u>
WITHOUT DONOR RESTRICTIONS					
Beginning of year net assets	\$ 34,727	\$ 21,821,711	\$ 207,767,223	\$ (71,299,658)	\$ 136,467,565
Transfer of PCI net assets	-	-	-	-	-
Dividends declared	-	(565,470)	(743,791)	662,167	(81,624)
Change in net assets	(4,332)	2,581,225	(5,429,279)	3,618,099	(1,811,180)
END OF YEAR NET ASSETS	30,395	23,837,466	201,594,153	(67,019,392)	134,574,761
WITH DONOR RESTRICTIONS					
Beginning of year net assets	-	-	44,539,909	-	44,539,909
Transfer of PCI net assets	-	-	-	-	-
Change in net assets	-	-	(9,601,374)	-	(9,601,374)
END OF YEAR NET ASSETS	-	-	34,938,535	-	34,938,535
TOTAL					
Beginning of year net assets	34,727	21,821,711	252,307,132	(71,299,658)	181,007,474
Transfer of PCI net assets	-	-	-	-	-
Dividends declared	-	(565,470)	(743,791)	662,167	(81,624)
Change in net assets	(4,332)	2,581,225	(15,030,653)	3,618,099	(11,412,554)
END OF YEAR NET ASSETS	\$ 30,395	\$ 23,837,466	\$ 236,532,688	\$ (67,019,392)	\$ 169,513,296