

AUDIT REPORT ON COMBINED FINANCIAL STATEMENTS

**GLOBAL COMMUNITIES AND
RELATED ENTITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2023**

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, 2024, with Summarized Financial Information for 2023	5
EXHIBIT B - Combined Statement of Activities, for the Year Ended September 30, 2024, with Summarized Financial Information for 2023	6
EXHIBIT C - Combined Statement of Functional Expenses, for the Year Ended September 30, 2024, with Summarized Financial Information for 2023	7
EXHIBIT D - Combined Statement of Change in Net Assets, for the Year Ended September 30, 2024, with Summarized Financial Information for 2023	8
EXHIBIT E - Combined Statement of Cash Flows, for the Year Ended September 30, 2024, with Summarized Financial Information for 2023	9
NOTES TO COMBINED FINANCIAL STATEMENTS	10 - 34
SUPPLEMENTAL INFORMATION	
SCHEDULE 1 - Schedule of Functional Expenses Without Related Entities, for the Year Ended September 30, 2024	35
SCHEDULE 2 - Combining Schedule of Financial Position, as of September 30, 2024	36 - 37
SCHEDULE 3 - Combining Schedule of Activities, for the Year Ended September 30, 2024	38 - 39
SCHEDULE 4 - Combining Schedule of Change in Net Assets, for the Year Ended September 30, 2024	40 - 41



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Qualified 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, 2024, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Global Communities as of September 30, 2024, 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 Qualified Opinion

We did not obtain sufficient appropriate audit evidence on Vitas Palestine's (component entity) loans portfolio, net balance of \$51,478,867, which are included in the combined statement of financial position. Loans receivable totaling \$9,265,193 are relating to customers who are physically located in the Gaza Strip. We were unable to obtain sufficient audit evidence about the carrying amount of receivables relating to customers who are physically located in the Gaza Strip, due to supporting documentation not being available for this amount as a result of the ongoing conflict in this area. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

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 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 qualified 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.

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

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.

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 and *Government 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' 2023 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated March 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, 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 35, the Combining Schedule of Financial Position on pages 36 - 37, the Combining Schedule of Activities on pages 38 - 39 and the Combining Schedule of Change in Net Assets on pages 40 - 41 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 June 10, 2025, 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.



June 10, 2025

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

ASSETS	2024	2023
Cash and cash equivalents	\$ 54,699,464	\$ 88,974,952
Investments	62,905,399	57,055,934
Loans receivable, net	229,248,274	234,561,400
Federal grants receivable	9,649,224	7,589,845
Federal contracts receivable	2,904,082	1,664,681
Non-Federal grants receivable	27,631,545	18,576,766
Non-Federal contracts receivable	583,963	169,536
Interest and accounts receivable	12,653,600	9,197,394
Prepaid expenses and other assets	6,318,156	5,856,999
Fixed and intangible assets, net	11,911,710	13,058,062
Security deposits	1,808,220	784,157
TOTAL ASSETS	\$ 420,313,637	\$ 437,489,726
LIABILITIES AND NET ASSETS		
LIABILITIES		
Notes payable	\$ 199,949,550	\$ 220,367,348
Accounts payable and accrued expenses	25,914,177	25,481,958
Accrued salaries and benefits	17,628,909	14,115,369
Refundable advance	996,259	309,801
Deferred contracts	282,252	968,410
Other liabilities	3,003,238	5,112,672
Funds held in trust	958,834	1,620,872
Total liabilities	248,733,219	267,976,430
NET ASSETS		
Without donor restrictions:		
Global Communities	118,856,897	106,710,638
Related Entities:		
Controlling interest	7,611,788	24,799,399
Noncontrolling interest	3,070,489	3,064,724
Total net assets without donor restrictions	129,539,174	134,574,761
With donor restrictions:		
Global Communities:		
Project funds	33,065,937	32,840,006
Loan capital	1,836,762	1,836,762
Related Entities:		
Controlling interest	7,138,545	261,767
Total net assets with donor restrictions	42,041,244	34,938,535
Total net assets	171,580,418	169,513,296
TOTAL LIABILITIES AND NET ASSETS	\$ 420,313,637	\$ 437,489,726

See accompanying notes to combined financial statements.

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 155,369,555	\$ 15,475,432	\$ 170,844,987	\$ 174,063,634
Contracts	12,915,091	-	12,915,091	9,428,054
Contributed nonfinancial assets	297,881	-	297,881	723,791
Interest and investment income	53,370,142	20,015	53,390,157	56,720,076
Commission income	4,598,132	-	4,598,132	6,667,460
Other income/(loss)	1,220,472	-	1,220,472	3,665,418
Net assets released from restrictions - satisfaction of donor restrictions	<u>16,322,828</u>	<u>(16,322,828)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>244,094,101</u>	<u>(827,381)</u>	<u>243,266,720</u>	<u>251,268,433</u>
EXPENSES				
Program Services:				
Technical Assistance	156,064,142	-	156,064,142	163,793,576
Capital Assistance	<u>58,827,825</u>	<u>-</u>	<u>58,827,825</u>	<u>59,819,767</u>
Total program services	<u>214,891,967</u>	<u>-</u>	<u>214,891,967</u>	<u>223,613,343</u>
Supporting Services:				
General and Administrative	<u>40,089,406</u>	<u>-</u>	<u>40,089,406</u>	<u>36,180,066</u>
Total supporting services	<u>40,089,406</u>	<u>-</u>	<u>40,089,406</u>	<u>36,180,066</u>
Total expenses	<u>254,981,373</u>	<u>-</u>	<u>254,981,373</u>	<u>259,793,409</u>
Change in net assets before other items	(10,887,272)	(827,381)	(11,714,653)	(8,524,976)
OTHER ITEMS				
Loss on currency translation	(11,260,490)	-	(11,260,490)	(1,388,528)
Deobligation of grant funds	-	(68,151)	(68,151)	(1,499,050)
Extinguishment of debt	20,697,511	-	20,697,511	-
Impairment loss	<u>(5,241,503)</u>	<u>-</u>	<u>(5,241,503)</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>\$ (6,691,754)</u>	<u>\$ (895,532)</u>	<u>\$ (7,587,286)</u>	<u>\$ (11,412,554)</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	2024					2023	
	Program Services			Supporting Services		Total Expenses	Total Expenses
	Technical Assistance	Capital Assistance	Total Program Services	General and Administrative	Total Supporting Services		
Salaries and wages	\$ 8,208,656	\$ 539,134	\$ 8,747,790	\$ 15,412,089	\$ 15,412,089	\$ 24,159,879	\$ 23,778,006
Fringe benefits	2,641,035	173,460	2,814,495	4,958,654	4,958,654	7,773,149	7,871,673
Local salaries and fringe	37,352,588	20,463,663	57,816,251	5,880,278	5,880,278	63,696,529	60,606,303
Other benefits	2,151,367	31,132	2,182,499	121,244	121,244	2,303,743	2,355,718
Printing and production	126,422	57,833	184,255	40,189	40,189	224,444	278,785
Professional fees	3,406,820	2,751,327	6,158,147	1,697,444	1,697,444	7,855,591	6,167,375
Lease expense	2,408,862	710,918	3,119,780	792,986	792,986	3,912,766	4,124,446
Security costs	161,333	-	161,333	-	-	161,333	193,189
Insurance	483,352	553,422	1,036,774	602,871	602,871	1,639,645	1,355,619
Depreciation and amortization	-	1,053,208	1,053,208	278,173	278,173	1,331,381	1,092,460
Lease amortization	-	434,138	434,138	88,880	88,880	523,018	169,836
Telecommunications	482,186	918,377	1,400,563	120,480	120,480	1,521,043	1,762,608
Travel	3,440,713	476,608	3,917,321	751,099	751,099	4,668,420	4,695,637
Consulting fees	2,619,447	638	2,620,085	594,826	594,826	3,214,911	3,440,820
Postage and delivery	45,191	2,896	48,087	16,746	16,746	64,833	70,589
Repairs and maintenance	335,519	270,422	605,941	823,064	823,064	1,429,005	1,051,060
Supplies	1,704,288	485,632	2,189,920	748,600	748,600	2,938,520	1,362,861
Dues, subscriptions and publications	33,595	50,755	84,350	230,332	230,332	314,682	428,711
Conferences	420,135	(31,809)	388,326	72,656	72,656	460,982	1,123,173
Contributed non-financial assets - equipment and materials	237,926	-	237,926	-	-	237,926	-
Contributed non-financial assets - professional fees	59,955	-	59,955	-	-	59,955	723,791
Equipment purchase and rental	1,789,777	164,320	1,954,097	1,069,716	1,069,716	3,023,813	4,140,622
Temporary help	284,958	14,397	299,355	29,167	29,167	328,522	403,112
Contracts	16,480,066	-	16,480,066	1,751,958	1,751,958	18,232,024	24,945,323
Assistance awards	40,248,582	63,778	40,312,360	-	-	40,312,360	36,727,760
Vehicle expense	958,156	42,209	1,000,365	85,733	85,733	1,086,098	1,946,670
Office operating expense	24,584	-	24,584	31,138	31,138	55,722	71,732
Participant training	5,347,350	-	5,347,350	-	-	5,347,350	8,133,070
Staff training and development	669,117	23,346	692,463	96,963	96,963	789,426	759,960
Construction expense and materials	21,020,210	-	21,020,210	6,565	6,565	21,026,775	26,984,529
Allowance for loan losses/recovery	388	14,089,164	14,089,552	-	-	14,089,552	5,051,440
Interest and taxes	446,534	14,235,292	14,681,826	37,875	37,875	14,719,701	18,685,695
Other	2,475,030	1,253,565	3,728,595	3,749,680	3,749,680	7,478,275	9,290,836
TOTAL	\$ 156,064,142	\$ 58,827,825	\$ 214,891,967	\$ 40,089,406	\$ 40,089,406	\$ 254,981,373	\$ 259,793,409

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, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	<u>Without Donor Restrictions</u>				<u>With Donor Restrictions</u>				<u>2024 Total</u>	<u>2023 Total</u>
	<u>Global Communities</u>	<u>Controlling Interest</u>	<u>Noncontrolling Interest</u>	<u>Total</u>	<u>Project Funds</u>	<u>Loan Capital Funds</u>	<u>Controlling Interest</u>	<u>Total</u>		
Balance at beginning of year	\$ 106,710,638	\$ 24,799,399	\$ 3,064,724	\$ 134,574,761	\$ 32,840,006	\$ 1,836,762	\$ 261,767	\$ 34,938,535	\$ 169,513,296	\$ 181,007,474
Transfer of Intrahealth International net assets	-	5,923,161	-	5,923,161	-	-	7,998,241	7,998,241	13,921,402	-
Change in share capital through converting debt options	-	(5,270,868)	-	(5,270,868)	-	-	-	-	(5,270,868)	-
Additional paid in capital	-	1,207,219	-	1,207,219	-	-	-	-	1,207,219	-
Dividends declared	-	(203,345)	-	(203,345)	-	-	-	-	(203,345)	(81,624)
Change in net assets	<u>12,146,259</u>	<u>(18,843,778)</u>	<u>5,765</u>	<u>(6,691,754)</u>	<u>225,931</u>	<u>-</u>	<u>(1,121,463)</u>	<u>(895,532)</u>	<u>(7,587,286)</u>	<u>(11,412,554)</u>
BALANCE AT END OF YEAR	<u>\$ 118,856,897</u>	<u>\$ 7,611,788</u>	<u>\$ 3,070,489</u>	<u>\$ 129,539,174</u>	<u>\$ 33,065,937</u>	<u>\$ 1,836,762</u>	<u>\$ 7,138,545</u>	<u>\$ 42,041,244</u>	<u>\$ 171,580,418</u>	<u>\$ 169,513,296</u>

See accompanying notes to combined financial statements.

GLOBAL COMMUNITIES AND RELATED ENTITIES

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (7,587,286)	\$ (11,412,554)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Increase in loan receivable allowance	4,618,496	424,821
Change in present value discount for grants receivable	(235,916)	32,451
Realized and unrealized gain on investments	(7,559,345)	(5,064,309)
Depreciation and amortization	1,331,381	1,092,460
Provision on Lebanese loans	-	19,682,059
Extinguishment of debt	(20,697,511)	-
Conversion of loan receivable option	-	500,000
Conversion of debt option	(5,270,868)	-
Impairment on fixed asset	5,241,503	-
Loss on disposal of fixed assets	507,481	1,415,301
Transfer of Intrahealth International	13,921,402	-
(Increase) decrease in:		
Federal grants receivable	(2,059,379)	(976,042)
Federal contracts receivable	(1,239,401)	801,012
Non-Federal grants receivable	(8,818,863)	13,455,148
Non-Federal contracts receivable	(414,427)	567,975
Interest and accounts receivable	(3,456,206)	(1,930,641)
Prepaid expenses and other assets	(461,157)	(1,520,818)
Security deposits	(1,024,063)	(101,628)
Increase (decrease) in:		
Accounts payable and accrued expenses	432,219	3,569,823
Accrued salaries and benefits	3,513,540	601,588
Refundable advance	686,458	148,645
Deferred contracts	(686,158)	(590,713)
Other liabilities	(2,109,434)	(774,972)
Funds held in trust	(662,038)	(817,403)
Net cash (used) provided by operating activities	<u>(32,029,572)</u>	<u>19,102,203</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease (increase) in gross loans receivable	694,630	(9,998,798)
Purchase of fixed assets	(5,934,013)	(3,576,400)
Investment purchases and reinvestments	(1,575,712)	(1,702,037)
Proceeds from sales of investments	<u>3,285,592</u>	<u>275,317</u>
Net cash used by investing activities	<u>(3,529,503)</u>	<u>(15,001,918)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	28,506,005	53,332,960
Principal payments on notes payable	(28,226,292)	(40,794,712)
Proceeds from the issuance of units	1,207,219	-
Payment of dividends	<u>(203,345)</u>	<u>(81,624)</u>
Net cash provided by financing activities	<u>1,283,587</u>	<u>12,456,624</u>
Net (decrease) increase in cash and cash equivalents	(34,275,488)	16,556,909
Cash and cash equivalents at beginning of year	<u>88,974,952</u>	<u>72,418,043</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 54,699,464	\$ 88,974,952

See accompanying notes to combined financial statements.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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, 2024

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.

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

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 2024.

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 became known as Global Communities, with an international headquarters in Bethesda. 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.

In June 2024, Global Communities and IntraHealth International, Inc. (IntraHealth) entered into a combination and integration agreement which brings the two organizations together to meet the fast-changing humanitarian and development needs of countries around the world. Through this agreement, IntraHealth became a subsidiary of Global Communities. The combination agreement will increase collective scale and impact, expanding and deepening technical portfolios, geographic reach and digital capabilities.”\

Principles of combination -

The accounts of Global Communities have been combined with the Related Entities noted above (collectively, Global Communities) in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be combined. All intercompany transactions and balances have been eliminated.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Basis of presentation -

The accompanying combined financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset 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". Net assets set aside 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** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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, 2023, from which the summarized information was derived.

The accompanying combined financial statements include the world-wide operations of Global Communities. At September 30, 2024, assets held in foreign countries totaled approximately \$307,239,000.

New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the combined financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by Global Communities that are subject to the guidance in FASB ASC 326 are Federal and non-Federal contracts receivable. Global Communities implemented the ASU on October 1, 2023, using a modified retrospective approach.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Cash and cash equivalents -

Global Communities considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and cash equivalents. Money market funds held by investment managers totaled \$9,113,663 as of September 30, 2024. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Global Communities maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Cash equivalents also include amounts held in an escrow account in the amount of \$958,834 as of September 30, 2024 (see Funds held in trust note).

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 \$37,932,000 of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2024. The majority of funds invested in foreign countries are uninsured.

Global Communities and its Related Entities have operations in Lebanon. Effective October 2019, measures were adopted 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 that effectively prohibit most bank transfers outside the country. Accordingly, Global Communities and its Related Entities has recorded an allowance for expected credit losses.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in interest and investment income, which is presented net of investment expenses paid to external investment advisors, in the accompanying Combined Statement of Activities.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. Global Communities' policy is to liquidate all gifts of investments as soon as possible after the gift.

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, 2024

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

Loans receivable (continued) -

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.

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.

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) -

Global Communities and related entities' loans and Interest and accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

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.

Federal and Non-Federal grants receivable -

Federal and Non-Federal grants receivable include both conditional and unconditional promises to give that are expected to be collected in future years. Federal and Non-Federal grants receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Federal and Non-Federal contracts receivable -

Federal and Non-Federal contracts receivable primarily consists of amounts due within one year related to contracts revenue. Federal and Non-Federal contracts receivable are recorded at their net realizable value which approximates fair value. Federal and Non-Federal contracts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

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 collectable.

Fixed and intangible assets -

Fixed assets in excess of \$10,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining life term 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. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$1,331,381 for the year ended September 30, 2024.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is to its current value, and a loss is reported in the Combined Statement of Activities, to its current fair value.

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 \$958,834 as of September 30, 2024 which is included in cash and cash equivalents on the accompanying Combined Statement of Financial Position.

Income taxes -

Global Communities, PCI and IntraHealth are exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as organizations described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying combined financial statements. Global Communities, PCI and IntraHealth are not a private foundations.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Income taxes (continued) -

The related entity located in Jordan (Entiqal) is registered (in its respective country) as a tax-exempt organization. Vitas Palestine is incorporated in Ramallah in accordance with the Companies Law number (12) and is subject to tax on any profit during the given fiscal year. 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, 2024, Global Communities and Related Entities have considered 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.

Grants and contributions -

Global Communities receives grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. Global Communities performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support 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, including grants qualifying as contributions, that are unconditional but 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. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying combined financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. Global Communities's refundable advances totaled \$996,259 as of September 30, 2024.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Grants and contributions (continued) -

In addition, Global Communities has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. Global Communities' unrecognized conditional contributions to be received in future years totaled approximately \$240,605,000 as of September 30, 2024. As further detailed in Note 18, subsequent to September 30, 2024, Global Communities received termination notices for 23 conditional grants. Of these, \$200,203,000 million related to conditional awards that had not yet been recognized as of September 30, 2024.

Contracts -

Global Communities' contracts are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded 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 and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. Global Communities' contracts with customers generally have initial terms of one year or less.

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.

Contributed nonfinancial assets -

Contributed nonfinancial assets (In-kind contributions) are recorded at their fair value as of the date of the gift and consisted of donated skilled labor, materials, and donations from local donors/municipalities. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Global Communities. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale.

Contributed nonfinancial assets of \$297,881 have been recorded as revenue and expenses in the accompanying combined financial statements for the year ended September 30, 2024. 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Foreign currency translation -

The U.S. Dollar is the functional currency for Global Communities' worldwide operations. Transactions in currencies other than U.S. Dollars are converted into U.S. 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 U.S. dollars at the exchange rate in effect at the date of the Combined Statement of Financial Position.

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 at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing Global Communities' programs and supporting services 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 are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

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 Global Communities 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 AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Interest rate risk (continued) -

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

The loans receivable as well as notes payable are at fixed interest rates.

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

Currency risk -

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

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Economic uncertainties -

Lebanon Banking Industry

Since the last quarter of 2019, Lebanon has been witnessing severe events that have set off an interconnected fiscal, monetary and economic crisis as well as deep recession that have reached unprecedented levels.

The ability of the Lebanese Government and the banking sector in Lebanon to borrow funds from international markets was significantly affected. Banks have imposed de-facto capital controls, restricted transfers of foreign currencies outside Lebanon and significantly reduced credit lines to companies and withdrawal of cash to private depositors, all of which added to the disruption the country's economic activity, as the economic model of Lebanon relies mainly on imports and consumption.

Lebanon's Government foresees canceling "a large part" of the central bank's foreign currency obligations to commercial banks and dissolving non-viable banks. It includes several measures that are prerequisites to unlock funds from a preliminary deal with the International Monetary Fund that could help pull the country out of a three-year financial meltdown.

The difficulty in accessing foreign currencies lead to the emergence of a parallel market to the peg whereby the price to access foreign currencies has been increasing constantly, deviating significantly from the official published exchange rate. This has resulted in an uncontrolled rise in prices and the incessant de facto depreciation of the Lebanese Lira, impacting intensely the purchasing power of the Lebanese citizens, driving high inflation and rise in the consumer price index.

New terms in the Lebanese market, such as "local Dollars" to designate local US Dollars bank accounts that are subject to de-facto capital controls, and "fresh funds/accounts" to designate foreign currency cash and foreign currency bank accounts which are free from capital controls (as they are sourced from foreign currency cash and/or from incoming transfers from abroad) have emerged.

The Lebanese Central Administration of Statistics reported 3-year and 12-month cumulative increase of consumer price index of 1,454% and 42% respectively as of June 2024 (2,005% and 192%, respectively, as of December 2023). Qualitative indicators, following the deteriorating economic condition and currency controls, also support the conclusion that Lebanon is a hyperinflationary economy for accounting purposes for periods ending on or after December 31, 2020.

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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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

Reclassification -

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

2. 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. 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 for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where 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 and there were no transfers between levels in the fair value hierarchy during the years ended September 30, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *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* - 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

2. INVESTMENTS (Continued)

- *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.
- *Investments Measured with Equity Method* - Global Communities records its investment in other entities based on its proportionate share of the investee's net assets. The investment is initially recorded at cost, and subsequently adjusted for Global Communities' share of the investee's earnings or losses, which are recognized in the Global Communities accompanying statement of activities.

FASB ASC 820 allows net asset value to serve as an estimate of fair value of pooled separate accounts. ASC 820 goes on to state that where NAV is allowed to be used as an estimate of fair value, if the reporting entity has the ability to redeem its investment at NAV as of the measurement date, the investment shall be categorized as a Level 2 fair value measurement. The Trustee has determined that these pooled separate accounts can be redeemed at net asset value.

US GAAP permits, as a practical expedient, the fair value of investments within scope to be estimated using the net asset value (NAV) or its equivalent. NAV or its equivalent is the value per share or value of ownership interest in partner's capital, as provided by the fund, whose financial statements are prepared in a manner consistent with measurement principles of an investment company or that have the attributes of an investment company. In many instances, NAV will not equal fair value that would be calculated pursuant to the Fair Value Measurement Topic.

The fair value amounts presented in the tables below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Financial Position. Following is a description of those alternative investments:

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

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

2. INVESTMENTS (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2024.

Asset Category:	Level 1	Level 2	Level 3	Investments Measured at NAV	Investments Measured with Equity Method	Total
Money market funds	\$ 9,113,663	\$ -	\$ -	\$ -	\$ -	\$ 9,113,663
Common stocks and mutual funds	28,046,706	-	-	-	-	28,046,706
Fixed income	13,298,870	-	-	-	-	13,298,870
Other investments:						
Investment in Tanmyeh (Union Company of Micro Financiers in Jordan):	-	-	-	-	11,753	11,753
Investment held by TSDF	-	-	165,679	-	-	165,679
Investment in Europe UG	-	-	-	-	25,000	25,000
Investment in BOAFO (local microfinance institution in Ghana):	-	-	-	-	1,083,527	1,083,527
Investment in Toters	-	-	-	-	626,257	626,257
Alternatives/Private	-	-	-	10,533,944	-	10,533,944
TOTAL	\$ 50,459,239	\$ -	\$ 165,679	\$ 10,533,944	\$ 1,746,537	\$ 62,905,399

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, 2024:

	<u>Investments</u>
Beginning balance as of September 30, 2023	\$ 150,765
Net unrealized gain on investments	<u>14,914</u>
BALANCE AS OF SEPTEMBER 30, 2024	\$ <u>165,679</u>

During the year ended September 30, 2024, Global Communities recorded realized and unrealized gains on its investments of \$7,559,345. 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 Alternatives/Private investments. Global Communities cannot withdraw the funds it has invested at TSDF and there are no commitments to invest additional funds.

3. 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

Loans receivable, as of September 30, 2024, consisted of the following:

Loans receivable	\$ 262,460,031
Less: Allowance for loan losses	(30,928,739)
Less: Unearned revenue	<u>(2,283,018)</u>
NET LOANS RECEIVABLE	<u>\$ 229,248,274</u>

The following is an analysis of the aforementioned allowance as of September 30, 2024:

Balance, at beginning of year	\$ 26,310,243
Change to provision	26,100,282
Write-offs	<u>(21,481,786)</u>
BALANCE AS OF SEPTEMBER 30, 2024	<u>\$ 30,928,739</u>

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

Year Ending September 30,

2025	\$ 124,625,798
2026	57,140,008
2027	25,526,668
2028	13,003,238
2029	7,475,222
Thereafter	<u>1,477,340</u>
	<u>\$ 229,248,274</u>

During the year ended September 30, 2024, interest income earned on loans receivable, was included in interest and investment income and totaled approximately \$45,831,000.

4. NON-FEDERAL GRANTS RECEIVABLE

As of September 30, 2024, contributors to Global Communities have made written promises to give of which \$27,851,891 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 8.0%. As of September 30, 2024, non-Federal grants and contracts are due as follows:

Less than one year	\$ 24,877,218
One to five years	<u>2,974,673</u>
	27,851,891
Less: Allowance to discount balance to present value	<u>(220,346)</u>
NON-FEDERAL GRANTS RECEIVABLE	<u>\$ 27,631,545</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

5. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets consisted of the following revenue streams as of:

	2024	2023
Contracts	\$ 3,488,045	\$ 1,834,217
Interest and commissions	12,627,131	8,986,875
Other	553,515	273,943
Less: Allowance for credit losses	(527,046)	(63,424)
TOTAL CONTRACT ASSETS	\$ 16,141,645	\$ 11,031,611

The contract assets noted above are included in the accompanying statement of financial position as Federal contracts receivable of \$2,904,082, Non-Federal contracts receivable of \$583,963 and Interest and accounts receivable of \$12,653,600.

The allowance for credit losses consisted of the following as of and for the year ended September 30, 2024:

Allowance for credit losses, beginning of year	\$ 63,424
Additions (charges to expenses)	463,622
ALLOWANCE FOR CREDIT LOSSES, END OF YEAR	\$ 527,046

Contract liabilities consisted of the following revenue streams as of September 30:

	2024	2023
Contracts	\$ 282,252	\$ 968,410

6. FIXED AND INTANGIBLE ASSETS

Fixed and intangible assets consisted of the following at September 30, 2024:

Furniture and fixtures	\$ 2,334,956
Building	1,171,786
Computers and equipment	2,999,376
Vehicles	1,308,870
Leasehold improvements	3,357,643
Land	2,484,885
Construction in progress	1,278,238
	14,935,754
Less: Accumulated depreciation and amortization	(5,939,469)
	8,996,285
Net intangible assets	2,915,425
FIXED AND INTANGIBLE ASSETS, NET	\$ 11,911,710

Total depreciation and amortization expense for the year ended September 30, 2024 was \$1,331,381, of which \$204,079 was related to assets held by Global Communities and \$1,127,302 was related to assets held by the related entities.

During the year ended September 30, 2024, Vitas Group's component entity, Vitas Lebanon, engaged an independent valuation expert to assess the fair value of one of its buildings. Based on the results of the assessment, the building was determined to be permanently impaired. As a result, Vitas Group recognized an impairment loss on fixed assets totaling \$5,241,503, which is reported as an Other Items in the accompanying combined statement of activities.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

7. NOTES PAYABLE

As of September 30, 2024, Global Communities has outstanding notes payable aggregating \$199,949,550. The notes are due between October 1, 2024 and May 31, 2034. All notes payable are secured by Global Communities' loans receivable. Global Communities must comply with certain debt covenants in relation to the note payable. Following is a table of all notes payable as of September 30, 2024:

Entity	Lender's Name	Date of Issue	Loan Currency	Original Amount in USD	Date of Maturity	Interest Rate	Commission	Balance as of September 30, 2024 in USD
GC HQ	Calvert Foundation	11/05/2021	USD	\$ 3,000,000	09/05/2025	5 %	0 %	\$ 3,000,000
ATAS DE	OPIC	10/05/2012	USD	\$ 30,000,000	12/30/2033	5 %	0 %	30,000,000
ATAS DE	OPIC	03/20/2013	USD	\$ 6,000,000	12/30/2033	5 %	0 %	6,000,000
ATAS DE	OPIC	06/26/2013	USD	\$ 6,000,000	12/30/2033	5 %	0 %	6,000,000
ATAS DE	OPIC	09/10/2013	USD	\$ 3,000,000	12/30/2033	6 %	0 %	3,000,000
ATAS DE	OPIC	02/21/2014	USD	\$ 920,000	12/30/2033	6 %	0 %	920,000
ATAS DE	OPIC	05/30/2014	USD	\$ 6,000,000	12/30/2033	6 %	0 %	6,000,000
ATAS DE	OPIC	01/04/2015	USD	\$ 5,000,000	12/30/2033	5 %	0 %	5,000,000
ATAS DE	OPIC	01/31/2017	USD	\$ 8,080,000	12/30/2033	5 %	0 %	8,080,000
ATAS DE	OPIC	12/20/2018	USD	\$ 3,000,000	12/30/2033	5 %	0 %	3,000,000
ATAS DE	OPIC	05/21/2019	USD	\$ 5,000,000	12/30/2033	5 %	0 %	5,000,000
Vitas Palestine	Palestine Investment Bank 2	08/11/2022	USD	\$ 1,000,000	09/11/2027	7 %	0 %	700,000
Vitas Palestine	The National Bank	09/25/2023	USD	\$ 2,000,000	10/25/2028	8 %	0 %	1,000,000
Vitas Palestine	Quds Bank 12	06/29/2020	USD	\$ 2,000,001	12/09/2028	8 %	0 %	500,000
Vitas Palestine	Quds Bank 11	12/15/2022	USD	\$ 6,000,000	10/05/2026	8 %	0 %	888,070
Vitas Palestine	Quds Bank 8	01/30/2018	USD	\$ 2,011,022	09/11/2027	6 %	0 %	624,717
Vitas Palestine	Quds Bank 9	05/21/2019	USD	\$ 3,000,000	01/28/2028	7 %	0 %	715,617
Vitas Palestine	Quds Bank 10	12/29/2020	USD	\$ 2,000,000	06/29/2025	8 %	0 %	1,776,163
Vitas Palestine	Sanad 7	11/02/2022	USD	\$ 2,250,000	05/01/2027	8 %	0 %	4,300,000
Vitas Palestine	Palestine Investment Fund 3	03/22/2019	USD	\$ 2,500,000	12/29/2025	5 %	0 %	663,864
Vitas Palestine	Palestine Investment Fund 4	10/14/2021	USD	\$ 3,300,000	06/15/2026	5 %	0 %	1,858,218
Vitas Palestine	European Investment Bank 3	05/14/2020	USD	\$ 5,000,000	04/22/2025	4 %	0 %	1,320,000
Vitas Palestine	Entrepreneurial Development Bank FMO	11/16/2020	USD	\$ 2,000,000	10/21/2025	4 %	0 %	1,250,000
Vitas Palestine	Proparco Loan Payable	12/31/2018	USD	\$ 1,000,000	08/18/2025	4 %	0 %	1,428,571
Vitas Palestine	Proparco loan Payable 2	08/27/2020	USD	\$ 5,000,000	08/18/2025	10 %	0 %	3,000,000
Vitas Palestine	EBRD	12/13/2021	USD	\$ 1,500,000	10/14/2025	5 %	0 %	468,750
Vitas Palestine	EBRD 2	07/14/2022	USD	\$ 1,500,000	01/12/2026	7 %	0 %	642,857
Vitas Palestine	PF Loan	01/05/2022	USD	\$ 770,000	12/31/2026	6 %	0 %	770,000
Vitas Palestine	BOP New	03/24/2022	USD	\$ 4,900,000	10/22/2026	5 %	0 %	3,316,405
Vitas Palestine	The National Bank	09/12/2022	USD	\$ 4,000,000	03/12/2028	6 %	0 %	3,572,152
Vitas Palestine	International Finance Corporation	12/05/2022	USD	\$ 5,000,000	06/15/2027	8 %	0 %	5,000,000
Vitas Palestine	Housing Bank	03/29/2023	USD	\$ 3,000,000	03/30/2028	7 %	0 %	2,769,828
Vitas Palestine	Palestine Investment Bank	10/01/2023	USD	\$ -	10/31/2030	7 %	0 %	935,897
Vitas LLC	Rick and Bonnie Rule Foundation	03/01/2024	USD	\$ 1,500,000	06/12/2028	5 %	0 %	1,500,000
Vitas LLC	Impact Charitable	03/09/2024	USD	\$ 150,000	08/09/2029	5 %	0 %	150,000
Vitas Jordan	Housing Bank (25129)	05/05/2016	JOD	\$ 15,000,000	withdrawal	10 %	0 %	15,634,749
Vitas Jordan	Cairo Amman Bank Revolving 25110	01/03/2015	JOD	\$ 13,000,000	withdrawal	10 %	0 %	16,233,136
Vitas Jordan	SANAD 25156	11/19/2021	USD	\$ 8,000,000	01/05/2025	6 %	0 %	1,600,003
Vitas Jordan	Jordan Commercial Bank	05/08/2019	JOD	\$ 7,000,000	withdrawal	9 %	0 %	9,310,156
Vitas Jordan	Al-Etihad Bank Revolving	07/01/2014	JOD	\$ 4,500,000	withdrawal	10 %	0 %	4,076,171
Vitas Jordan	Capital Bank Loan 25124	03/09/2015	JOD	\$ 4,000,000	withdrawal	10 %	0 %	2,518,222
Vitas Jordan	EALB (25128)	03/23/2016	JOD	\$ 3,000,000	withdrawal	10 %	0 %	3,363,542
Vitas Jordan	Invest Bank Loan- Revolving 25137	03/30/2017	JOD	\$ 4,000,000	withdrawal	10 %	0 %	269,547
Vitas Jordan	SGBJ Bank Loan 25125	10/26/2015	JOD	\$ 1,000,000	withdrawal	10 %	1 %	70,522
Vitas Jordan	Sanad Loan 5M	08/23/2023	USD	\$ 5,000,000	10/05/2026	8 %	0 %	5,000,010
Vitas Jordan	Al-Etihad loan	08/20/2023	JOD	\$ 700,000	08/20/2026	8 %	0 %	630,788
Vitas Jordan	Jordan Ahli Bank	03/29/2023	JOD	\$ 2,000,000	withdrawal	10 %	0 %	2,582,876
Vitas Jordan	Symbiotics 8882	02/20/2023	USD	\$ 750,000	02/20/2025	7 %	0 %	750,000
Vitas Jordan	Symbiotics 8881	02/20/2023	USD	\$ 500,000	02/20/2025	7 %	0 %	500,000
Vitas Lebanon	Saradar Bank S.A.L	01/16/2018	LBP	\$ 41,899	12/31/2025	4 %	0 %	41,898
Vitas Romania	EFSE 5 (i)	02/28/2023	EUR	\$ 2,238,690	03/31/2026	8 %	1 %	1,483,296
Vitas Romania	EFSE 6 (ii)	04/27/2023	RON	\$ 2,204,675	03/31/2026	10 %	1 %	1,453,901
Vitas Romania	EFSE 7 (iii)	02/28/2024	RON	\$ 4,463,342	03/15/2028	10 %	1 %	4,429,850
Vitas Romania	impaktEU (iv)	07/11/2023	EUR	\$ 951,443	06/30/2028	8 %	1 %	964,078
Vitas Romania	responsAbility (P) (v)	10/15/2021	EUR	\$ 559,672	10/15/2024	3 %	1 %	189,128
Vitas Romania	responsAbility (Q) (vi)	10/15/2021	EUR	\$ 559,672	10/15/2024	3 %	1 %	189,128
Vitas Romania	responsAbility (R) (vii)	12/22/2023	EUR	\$ 1,679,017	12/22/2026	7 %	1 %	1,698,549
Vitas Romania	responsAbility (S) (xvii)	01/29/2024	EUR	\$ 1,679,017	01/29/2027	7 %	1 %	1,686,759
Vitas Romania	Symbiotics (8) (ix)	09/01/2022	RON	\$ 1,237,317	05/21/2025	7 %	1 %	620,632
Vitas Romania	Symbiotics (9) (x)	02/17/2023	RON	\$ 512,924	02/17/2026	9 %	1 %	515,082
Vitas Romania	Symbiotics (10) (xi)	02/20/2023	EUR	\$ 559,672	02/20/2026	6 %	1 %	561,212
Vitas Romania	Symbiotics (11) (xii)	07/20/2023	RON	\$ 562,417	07/20/2026	10 %	1 %	569,791
Vitas Romania	Symbiotics (12) (xiii)	07/20/2023	RON	\$ 787,384	05/20/2026	9 %	1 %	797,719
Vitas Romania	Symbiotics (13) (xiv)	07/20/2023	RON	\$ 562,417	07/20/2026	10 %	1 %	569,791
Vitas Romania	Symbiotics (14) (xv)	07/20/2023	RON	\$ 562,417	07/20/2026	10 %	1 %	569,791
Vitas Romania	Symbiotics (15) (xvi)	08/31/2023	RON	\$ 562,417	08/31/2026	10 %	1 %	563,377
Vitas Romania	Symbiotics (16) (xvii)	09/30/2024	RON	\$ 1,034,847	05/27/2027	9 %	1 %	1,024,500
Vitas Romania	EIF (1) (xviii)	04/07/2020	RON	\$ 2,024,701	05/15/2030	9 %	1 %	2,095,414
Vitas Romania	EIF (2) (xix)	04/23/2024	RON	\$ 2,204,675	05/31/2034	9 %	1 %	2,234,823
TOTAL								\$ 199,949,550

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

7. NOTES PAYABLE (Continued)

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

<u>Year Ending September 30,</u>		
2025	\$	62,235,784
2026		48,879,555
2027		20,926,088
2028		14,212,429
2029		8,764,614
Thereafter		<u>44,931,080</u>
	\$	<u>199,949,550</u>

During the year ended September 30, 2024, Vitas Group's component entity, Vitas Lebanon, engaged in negotiations with its lenders and successfully settled notes payable totaling \$20,697,511. The resulting extinguishment of debt has been reported in the "Other Items" section of the accompanying combined statement of activities.

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, 2024 are to provide support for Global Communities' programs. Following is a summary of net assets with restrictions at September 30, 2024:

Project Funds:		
Argentina	\$	1,115,333
Brazil		661,654
Ghana		1,234,524
Haiti		3,080
Guatemala		211,812
Honduras		14,462,244
Indonesia		120,003
India		1,341,463
Kenya		72,287
Lebanon		109
Madagascar		1,000
Malawi		2,960
Mexico/U.S. Border		20,466
Nicaragua		7,860
Palestine		10,220,548
Rwanda		12,349
Sudan		10,801
Syria		1,608,572
Tanzania		26,166
Turkey		1,442
Ukraine		54,082
West Africa		7,077,681
Various headquarters projects		1,196,385
Accumulated endowment earnings		<u>39,830</u>
		39,502,651
Amounts to be held in perpetuity - endowment		<u>701,831</u>
PROJECT FUNDS TOTAL	\$	<u>40,204,482</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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>42,041,244</u>

During the year ended September 30, 2024, net assets with restrictions of \$16,322,828 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, 2024:

Project Funds:	
Argentina	\$ 404,622
Ghana	171,240
Guatemala	287,996
Honduras	7,534,569
India	1,949,548
Indonesia	69,519
Kenya	86,355
Malawi	1,800
Mexico/U.S Border	44,183
Nicaragua	19,893
Palestine	1,952,117
Syria	1,500,214
Tanzania	92,680
Ukraine	10,000
Turkey	27
West Africa	729,025
Various headquarters projects	<u>1,469,040</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ <u>16,322,828</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	\$ 54,699,464
Investments	62,905,399
Current portion of loans receivable, net of allowances	124,625,798
Federal grants receivable	9,649,224
Federal contracts receivable	2,904,082
Current portion of Non-Federal grants receivable	24,877,218
Non-Federal contracts receivable	583,963
Interest and accounts receivable	<u>12,653,600</u>
Subtotal financial assets available	292,898,748
Less: Donor restricted funds	(42,041,244)
Less: Funds held in trust	<u>(958,834)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>249,898,670</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

9. LIQUIDITY AND AVAILABILITY (Continued)

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.

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 \$5,738,000. Refer to Note 18 for information on subsequent events affecting the organization's liquidity in 2025.

10. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended September 30, 2024, 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, 2024. 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, 2024:

Services	\$	59,955
Goods		<u>237,926</u>
TOTAL	\$	<u>297,881</u>

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

Technical Assistance	\$	<u>297,881</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, 2024, total retirement plan expense for Global Communities was \$2,225,119.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

12. LEASE COMMITMENTS

Global Communities follows FASB ASC 842 for leases. Global Communities has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes.

Global Communities has also elected to use a their incremental borrowing rate as the lease discount rate for all leases as allowed under FASB ASC 842.

On November 6, 2014, Global Communities entered into a 156-month lease agreement for office space in Silver Spring, Maryland. 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. The lease expired in September 2024.

Global Communities leases office space in San Diego under a non-cancelable lease that was set to expire 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. Subsequent to year end, Global Communities renewed the lease through December 31, 2034. Total lease commitments on the extended lease total \$2,102,099.

Subsequent to year end, Global Communities executed a lease for office space in Bethesda Maryland which commenced November 2024 and expires July 31, 2039. Total lease commitments were approximately \$12.5 Million at the lease commencement date.

Global Communities and related entities also leases office space in numerous foreign countries under short and long-term lease agreements.

For the year ended September 30, 2024, total lease expense was \$3,912,766. Of which \$1,830,239 pertained to Global Communities and \$2,082,527 pertained to the related entities. Total cash paid for Global Communities operating leases was \$2,586,717. As of September 30, 2024, the weighted-average remaining lease term and rate for operating leases is 0.72 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, 2024:

<u>Year Ending September 30,</u>	
2025	\$ 961,740
2026	408,949
2027	68,091
Less: Imputed interest	<u>(59,458)</u>
OPERATING LEASE LIABILITY	<u>\$ 1,379,322</u>

As of September 30, 2024, the right-of-use assets and lease liability balances for the related entities were \$1,754,825 and \$1,601,401, respectively, which is included in prepaid expenses and other assets and other liabilities in the accompanying combined financial statements, respectively.

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

13. CONTINGENCIES

United States Government funding -

Global Communities receives grants from the U.S. Department of State. 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 (Uniform Guidance). The ultimate determination of amounts received under the Federal awards is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. 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. Audits in accordance with the applicable provisions of Subpart F of the Uniform Guidance have been completed for all required fiscal years through 2024.

Foreign operations -

Global Communities provides technical assistance and capital assistance in numerous developing 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, 2024, Global Communities had assets in various countries in the Middle East, Eastern Europe, Africa, Asia and Central and South America, totaling approximately \$311,000,000, which represents approximately 74% of Global Communities' total assets as of September 30, 2024.

14. ECONOMIC DEPENDENCY

Approximately 85% of Global Communities' total revenue and support, excluding in-kind contributions and related entity revenue for the year ended September 30, 2024, was derived from grants and contracts awarded directly by the United States Federal Government or from pass-through entities, excluding loan capital. See Note 18 regarding subsequent status of Global Communities' relationship with the U.S Federal Government.

15. LINE OF CREDIT

Global Communities has a \$5,738,000 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, 2024, 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>\$ 12,497,069</u>
Taxes Paid - Related Entities	<u>\$ 2,671,044</u>
Right-of-Use Asset	<u>\$ 952,188</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ 881,946</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2024

17. ENDOWMENT

Global Communities' endowment funds consist 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.

Interpretation of relevant law -

Global Communities has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the state of New Jersey as requiring the preservation of the fair value of the original gift made to the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result, of this interpretation, Global Communities classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Additionally, in accordance with UPMIFA, Global Communities considers the following factors in making a determination to appropriate 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.

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.

Strategies Employed for Achieving Objectives -

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.

Spending Policy and How the Investment Objectives Relate to 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.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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 Global Communities to maintain as a fund of perpetual duration. However, there were no funds with deficiencies as of September 30, 2024.

Endowment funds consisted of the following as of September 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 701,831	\$ 701,831
Accumulated investment earnings	-	39,830	39,830
TOTAL ENDOWMENT FUNDS	\$ -	\$ 741,661	\$ 741,661

Endowment assets are comprised of the following at September 30, 2024:

Investments managed by Global Communities	\$ 575,982
Investments held by TSDF	165,679
TOTAL ENDOWMENT FUNDS	\$ 741,661

18. SUBSEQUENT EVENTS

In preparing these combined financial statements, Global Communities has evaluated events and transactions for potential recognition or disclosure through June 10, 2025, the date the combined financial statements were issued.

On January 24, 2025, Global Communities was notified by the Federal Government that some of its awards to Global Communities were temporarily suspended. Subsequently, these temporarily suspended awards were terminated; these terminations impacted 23 Federal awards that were active as of September 30, 2024, and the total unrecognized conditional amount of these awards as of the date of the consolidated financial statements was approximately \$200,203,000.

As a result of these award terminations, Global Communities has implemented cost-reduction measures, including the layoff of approximately 60-65% of its global staff directly tied to the affected awards. Although no country offices have been closed to date, Global Communities is planning to close three offices by the end of 2025. For country offices that have lost projects but remain operational, the organization has restructured staffing and operations in line with the remaining project portfolio. This includes reductions in shared staff and a downsizing of the operational footprint, such as office space.

The above events will also have an impact on lease agreements that follow ASC 842 standards. Global Communities is evaluating whether lease modifications, early terminations, or impairments of right-of-use (ROU) assets are required as a result of these actions. The consolidated financial statement effects of any such adjustments will be reflected in the period in which the lease modifications or terminations become contractually effective.

GLOBAL COMMUNITIES AND RELATED ENTITIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

18. SUBSEQUENT EVENTS (Continued)

Further financial and operational impact of these governmental actions will continue to be assessed by management. Global Communities continues to take steps to ensure continuity of essential operations and to mitigate long-term risks affecting Global Communities' programs and mission.

Global Communities has been named as a defendant in lawsuits based upon activities that occurred in the ordinary course of business. Global Communities' policy is to accrue amounts related to litigation when such amounts are probable and can be reasonably estimated based on consultation with outside legal counsel. While legal counsel has indicated that the outcome of these actions is not presently determinable, management believes that any resulting liability will not have a materially adverse impact on the financial position or operations of Global Communities.

SUPPLEMENTAL INFORMATION

GLOBAL COMMUNITIES AND RELATED ENTITIES

SCHEDULE OF FUNCTIONAL EXPENSES WITHOUT RELATED ENTITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Technical Assistance</u>	<u>Capital Assistance</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries and wages	\$ 8,208,656	\$ 539,134	\$ 15,412,089	\$ 24,159,879
Fringe benefits	2,641,035	173,460	4,958,654	7,773,149
Local salaries and fringe	32,584,374	670	1,715,225	34,300,269
Other benefits	2,151,367	31,132	121,244	2,303,743
Printing and production	87,782	-	15,968	103,750
Professional fees	1,022,682	1,160,579	839,798	3,023,059
Occupancy	2,141,112	3,900	755,506	2,900,518
Security costs	161,333	-	-	161,333
Insurance	466,421	4,866	452,837	924,124
Depreciation and amortization	-	-	204,079	204,079
Telecommunications	346,862	1,004	64,755	412,621
Travel	2,343,195	35,852	657,136	3,036,183
Consulting fees	2,619,447	638	594,826	3,214,911
Postage and delivery	45,191	2,896	16,746	64,833
Repairs and maintenance	269,587	-	805,444	1,075,031
Supplies	664,649	-	24,764	689,413
Dues, subscriptions and publications	33,595	-	225,441	259,036
Conferences	323,342	-	28,607	351,949
Contributed non-financial assets - equipment and materials	237,926	-	-	237,926
Contributed non-financial assets - professional fees	59,955	-	-	59,955
Equipment purchase and rental	1,788,479	8,687	1,069,716	2,866,882
Temporary help	284,958	-	29,167	314,125
Contracts	16,480,066	-	1,751,958	18,232,024
Assistance awards, not subject to OH	34,434,066	-	-	34,434,066
Assistance awards, subject to OH	1,798,034	-	-	1,798,034
Vehicle expense	956,011	-	-	956,011
Office operating expense	24,584	-	31,138	55,722
Participant training	5,347,350	-	-	5,347,350
Staff training and development	195,403	-	93,458	288,861
Construction expense and materials	21,020,210	-	6,565	21,026,775
Bad debt expense/recovery	388	472	-	860
Other	2,428,936	23,999	2,736,387	5,189,322
TOTAL	<u>\$ 141,166,996</u>	<u>\$ 1,987,289</u>	<u>\$ 32,611,508</u>	<u>\$ 175,765,793</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024

	Global Communities	Related Entities					
		Intrahealth International	Project Concern International	ATAS-M	Entiqal	Vitas Group	ATAS-DE
ASSETS							
Cash and cash equivalents	\$ 16,795,631	\$ 4,927,117	\$ 1,793,140	\$ 614,101	\$ 306,095	\$ 13,319,680	\$ 6,766,991
Investments	116,407,716	-	-	-	16,762,398	1,133,001	-
Loans receivable, net of allowances	-	-	-	-	-	108,320,843	69,448,564
Federal grants receivable	5,243,084	4,406,140	-	-	-	-	-
Federal contracts receivable	2,904,082	-	-	-	-	-	-
Non-Federal grant receivable	19,740,899	7,734,950	155,696	-	-	-	-
Non-Federal contracts receivable	583,963	-	-	-	-	-	-
Interest and accounts receivable	1,380,482	-	-	-	406,751	6,045,731	-
Intercompany receivables	9,799,161	-	-	-	-	1,475,033	2,154,726
Prepaid expenses and other assets	2,718,845	1,387,379	500	6,045	121,504	1,430,481	-
Fixed and intangible assets, net	1,843,916	289,226	-	42,274	5,052	6,756,471	-
Security deposits	1,303,970	-	-	-	-	453,433	-
TOTAL ASSETS	\$ 178,721,749	\$ 18,744,812	\$ 1,949,336	\$ 662,420	\$ 17,601,800	\$ 138,934,673	\$ 78,370,281
LIABILITIES							
Notes payable	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 86,448,441	\$ 73,000,000
Accounts payable and accrued expenses	7,897,536	2,021,542	950,880	177,745	406,606	2,696,908	999,362
Intercompany payables	-	-	878,964	273,943	357,419	3,746,039	6,599,684
Accrued salaries and benefits	9,777,621	2,642,453	-	73,032	21,067	1,844,668	-
Refundable advance	-	963,762	32,497	-	-	-	-
Deferred contracts	214,172	-	-	-	68,080	-	-
Other liabilities	1,379,322	156,479	2,373	-	30,037	932,475	-
Funds held in trust	958,834	-	-	-	-	-	-
Total liabilities	23,227,485	5,784,236	1,864,714	524,720	883,209	95,668,531	80,599,046
NET ASSETS							
Without donor restrictions:							
Controlling interest	120,591,565	5,822,031	84,622	137,700	16,718,591	24,775,536	(2,228,765)
Noncontrolling interest	-	-	-	-	-	18,490,606	-
With donor restrictions	34,902,699	7,138,545	-	-	-	-	-
Total net assets	155,494,264	12,960,576	84,622	137,700	16,718,591	43,266,142	(2,228,765)
TOTAL LIABILITIES AND NET ASSETS	\$ 178,721,749	\$ 18,744,812	\$ 1,949,336	\$ 662,420	\$ 17,601,800	\$ 138,934,673	\$ 78,370,281

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024**

	Related Entities (Continued)					
	MCSE	GC Brazil	Vitas Palestine	Subtotal	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 12,121	\$ 956,591	\$ 9,207,997	\$ 54,699,464	\$ -	\$ 54,699,464
Investments	-	-	-	134,303,115	(71,397,716)	62,905,399
Loans receivable, net of allowances	-	-	51,478,867	229,248,274	-	229,248,274
Federal grants receivable	-	-	-	9,649,224	-	9,649,224
Federal contracts receivable	-	-	-	2,904,082	-	2,904,082
Non-Federal grant receivable	-	-	-	27,631,545	-	27,631,545
Non-Federal contracts receivable	-	-	-	583,963	-	583,963
Interest and accounts receivable	-	-	5,584,948	13,417,912	(764,312)	12,653,600
Intercompany receivables	32,017	-	-	13,460,937	(13,460,937)	-
Prepaid expenses and other assets	1,042	-	652,360	6,318,156	-	6,318,156
Fixed and intangible assets, net	-	-	2,974,771	11,911,710	-	11,911,710
Security deposits	817	-	50,000	1,808,220	-	1,808,220
TOTAL ASSETS	\$ 45,997	\$ 956,591	\$ 69,948,943	\$ 505,936,602	\$ (85,622,965)	\$ 420,313,637
LIABILITIES						
Notes payable	\$ -	\$ -	\$ 38,001,109	\$ 200,449,550	\$ (500,000)	\$ 199,949,550
Accounts payable and accrued expenses	-	13,034	11,703,088	26,866,701	(952,524)	25,914,177
Intercompany payables	-	818,014	98,662	12,772,725	(12,772,725)	-
Accrued salaries and benefits	11,356	125,543	3,133,169	17,628,909	-	17,628,909
Refundable advance	-	-	-	996,259	-	996,259
Deferred contracts	-	-	-	282,252	-	282,252
Other liabilities	-	-	502,552	3,003,238	-	3,003,238
Funds held in trust	-	-	-	958,834	-	958,834
Total liabilities	11,356	956,591	53,438,580	262,958,468	(14,225,249)	248,733,219
NET ASSETS						
Without donor restrictions:						
Controlling interest	34,641	-	16,510,363	182,446,284	(55,977,599)	126,468,685
Noncontrolling interest	-	-	-	18,490,606	(15,420,117)	3,070,489
With donor restrictions	-	-	-	42,041,244	-	42,041,244
Total net assets	34,641	-	16,510,363	242,978,134	(71,397,716)	171,580,418
TOTAL LIABILITIES AND NET ASSETS	\$ 45,997	\$ 956,591	\$ 69,948,943	\$ 505,936,602	\$ (85,622,965)	\$ 420,313,637

GLOBAL COMMUNITIES AND RELATED ENTITIES

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Related Entities						
	Global Communities	Intrahealth International	Project Concern International	ATAS-M	Entiqal	Vitas Group	ATAS-DE
REVENUE AND SUPPORT							
Grants and contributions, net of deobligations	\$ 154,423,015	\$ 12,336,378	\$ 3,163,795	\$ -	\$ -	\$ -	\$ 853,648
Contracts	10,734,627	-	-	-	2,180,464	-	-
Contributed nonfinancial assets	297,881	-	-	-	-	-	-
Interest and investment income	9,355,293	46,697	5,439	81,397	-	24,354,634	12,556,670
Commission income	-	-	-	-	-	1,450,469	2,248,019
Other income/(loss), including gain on currency translation and extinguishment of debt	(1,706,117)	-	4	1,164,016	(752,658)	5,832,461	-
Total revenue and support	173,104,699	12,383,075	3,169,238	1,245,413	1,427,806	31,637,564	15,658,337
EXPENSES	175,765,793	13,343,901	3,446,381	1,245,413	4,091,729	30,672,149	17,449,879
CHANGE IN NET ASSETS	\$ (2,661,094)	\$ (960,826)	\$ (277,143)	\$ -	\$ (2,663,923)	\$ 965,415	\$ (1,791,542)

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Related Entities (Continued)</u>					
	<u>MCSE</u>	<u>GC Brazil</u>	<u>Vitas Palestine</u>	<u>Eliminations</u>	<u>Related Entity Subtotal</u>	<u>Total</u>
REVENUE AND SUPPORT						
Grants and contributions, net of deobligations	\$ -	\$ -	\$ -	\$ -	\$ 16,353,821	\$ 170,776,836
Contracts	64,311	-	-	(64,311)	2,180,464	12,915,091
Contributed nonfinancial assets	-	-	-	-	-	297,881
Interest and investment income	-	210,730	6,779,297	-	44,034,864	53,390,157
Commission income	-	-	899,644	-	4,598,132	4,598,132
Other income/(loss), including gain on currency translation and extinguishment of debt	-	1,458,882	80,730	(661,328)	7,122,107	5,415,990
Total revenue and support	64,311	1,669,612	7,759,671	(725,639)	74,289,388	247,394,087
EXPENSES	60,065	1,669,612	15,086,774	(7,850,323)	79,215,580	254,981,373
CHANGE IN NET ASSETS	<u>\$ 4,246</u>	<u>\$ -</u>	<u>\$ (7,327,103)</u>	<u>\$ 7,124,684</u>	<u>\$ (4,926,192)</u>	<u>\$ (7,587,286)</u>

GLOBAL COMMUNITIES AND RELATED ENTITIES

COMBINING SCHEDULE OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Global Communities	Related Entities					
		Intrahealth International	Project Concern International	ATAS-M	Entiqal	Vitas Group	ATAS-DE
WITHOUT DONOR RESTRICTIONS							
Beginning of year net assets	\$ 123,478,590	\$ -	\$ 99,998	\$ 137,700	\$ 19,382,514	\$ 35,064,713	\$ (437,223)
Transfer of net assets	-	5,923,161	-	-	-	-	-
Change in share capital through converting debt options	-	-	-	-	-	6,232,140	-
Additional paid in capital	-	-	-	-	-	1,207,219	-
Dividends declared	-	-	-	-	-	(203,345)	-
Change in net assets	(2,887,025)	(101,130)	(15,376)	-	(2,663,923)	965,415	(1,791,542)
END OF YEAR NET ASSETS	120,591,565	5,822,031	84,622	137,700	16,718,591	43,266,142	(2,228,765)
WITH DONOR RESTRICTIONS							
Beginning of year net assets	34,676,768	-	261,767	-	-	-	-
Transfer of net assets	-	7,998,241	-	-	-	-	-
Change in net assets	225,931	(859,696)	(261,767)	-	-	-	-
END OF YEAR NET ASSETS	34,902,699	7,138,545	-	-	-	-	-
TOTAL							
Beginning of year net assets	158,155,358	-	361,765	137,700	19,382,514	35,064,713	(437,223)
Transfer of net assets	-	13,921,402	-	-	-	-	-
Change in share capital through converting debt options	-	-	-	-	-	6,232,140	-
Additional paid in capital	-	-	-	-	-	1,207,219	-
Dividends declared	-	-	-	-	-	(203,345)	-
Change in net assets	(2,661,094)	(960,826)	(277,143)	-	(2,663,923)	965,415	(1,791,542)
END OF YEAR NET ASSETS	\$ 155,494,264	\$ 12,960,576	\$ 84,622	\$ 137,700	\$ 16,718,591	\$ 43,266,142	\$ (2,228,765)

GLOBAL COMMUNITIES AND RELATED ENTITIES

**COMBINING SCHEDULE OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<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	\$ 30,395	\$ 23,837,466	\$ 201,594,153	\$ (67,019,392)	\$ 134,574,761
Transfer of net assets	-	-	5,923,161	-	5,923,161
Change in share capital through converting debt options	-	-	6,232,140	(11,503,008)	(5,270,868)
Additional paid in capital	-	-	1,207,219	-	1,207,219
Dividends declared	-	-	(203,345)	-	(203,345)
Change in net assets	4,246	(7,327,103)	(13,816,438)	7,124,684	(6,691,754)
END OF YEAR NET ASSETS	34,641	16,510,363	200,936,890	(71,397,716)	129,539,174
WITH DONOR RESTRICTIONS					
Beginning of year net assets	-	-	34,938,535	-	34,938,535
Transfer of net assets	-	-	7,998,241	-	7,998,241
Change in net assets	-	-	(895,532)	-	(895,532)
END OF YEAR NET ASSETS	-	-	42,041,244	-	42,041,244
TOTAL					
Beginning of year net assets	30,395	23,837,466	236,532,688	(67,019,392)	169,513,296
Transfer of net assets	-	-	13,921,402	-	13,921,402
Change in share capital through converting debt options	-	-	6,232,140	(11,503,008)	(5,270,868)
Additional paid in capital	-	-	1,207,219	-	1,207,219
Dividends declared	-	-	(203,345)	-	(203,345)
Change in net assets	4,246	(7,327,103)	(14,711,970)	7,124,684	(7,587,286)
END OF YEAR NET ASSETS	\$ 34,641	\$ 16,510,363	\$ 242,978,134	\$ (71,397,716)	\$ 171,580,418