

**FINANCIAL STATEMENTS**



**PROJECT CONCERN INTERNATIONAL**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2024 AND 2023**

# PROJECT CONCERN INTERNATIONAL

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Project Concern International  
San Diego, California

### **Opinion**

We have audited the accompanying financial statements of Project Concern International (PCI), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PCI as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 PCI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

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

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of PCI's 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 PCI's 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 PCI's internal control over financial reporting and compliance.



June 23, 2025

**PROJECT CONCERN INTERNATIONAL**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2024 AND 2023**

**ASSETS**

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 1,793,140	\$ 903,977
Grants receivable	155,696	450,496
Other assets	500	488
<b>TOTAL ASSETS</b>	<b>\$ 1,949,336</b>	<b>\$ 1,354,961</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued liabilities	\$ 1,829,844	\$ 681,022
Refundable advance	34,870	312,174
Total liabilities	1,864,714	993,196

**NET ASSETS**

Without donor restrictions	84,622	99,998
With donor restrictions	-	261,767
Total net assets	84,622	361,765

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,949,336</b>	<b>\$ 1,354,961</b>
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## PROJECT CONCERN INTERNATIONAL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ 2,912,264	\$ -	\$ 2,912,264
Non-Government grants	251,531	-	251,531
Net investment return	337	5,102	5,439
Other revenue	4	-	4
Net assets released from donor restrictions	<u>266,869</u>	<u>(266,869)</u>	<u>-</u>
Total support and revenue	<u>3,431,005</u>	<u>(261,767)</u>	<u>3,169,238</u>
<b>EXPENSES</b>			
Program Services	<u>3,338,070</u>	<u>-</u>	<u>3,338,070</u>
Supporting Services:			
Management and General	115,320	-	115,320
Fundraising	<u>(7,009)</u>	<u>-</u>	<u>(7,009)</u>
Total supporting services	<u>108,311</u>	<u>-</u>	<u>108,311</u>
Total expenses	<u>3,446,381</u>	<u>-</u>	<u>3,446,381</u>
Changes in net assets	(15,376)	(261,767)	(277,143)
Net assets at beginning of year	<u>99,998</u>	<u>261,767</u>	<u>361,765</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 84,622</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 84,622</u></b>

## PROJECT CONCERN INTERNATIONAL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ 4,477,653	\$ -	\$ 4,477,653
Contributions	-	80,563	80,563
Non-Government grants	326,502	-	326,502
Net investment return	23,316	21,038	44,354
Other revenue	26	-	26
Net assets released from donor restrictions	<u>3,396,319</u>	<u>(3,396,319)</u>	<u>-</u>
Total support and revenue	<u>8,223,816</u>	<u>(3,294,718)</u>	<u>4,929,098</u>
<b>EXPENSES</b>			
Program Services	<u>7,683,284</u>	<u>-</u>	<u>7,683,284</u>
Supporting Services:			
Management and General	306,059	-	306,059
Fundraising	<u>(6,311)</u>	<u>-</u>	<u>(6,311)</u>
Total supporting services	<u>299,748</u>	<u>-</u>	<u>299,748</u>
Total expenses	<u>7,983,032</u>	<u>-</u>	<u>7,983,032</u>
Changes in net assets before other item	240,784	(3,294,718)	(3,053,934)
<b>OTHER ITEM</b>			
Transfer of net assets	<u>(866,414)</u>	<u>(4,614,819)</u>	<u>(5,481,233)</u>
Changes in net assets	(625,630)	(7,909,537)	(8,535,167)
Net assets at beginning of year	<u>725,628</u>	<u>8,171,304</u>	<u>8,896,932</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 99,998</u></b>	<b><u>\$ 261,767</u></b>	<b><u>\$ 361,765</u></b>

**PROJECT CONCERN INTERNATIONAL**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>International</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Personnel costs	\$ 74,250	\$ 92	\$ -	\$ 92	\$ 74,342
Sub grants/consultants	3,252,801	96,001	-	96,001	3,348,802
Other direct costs	3,315	18,971	(7,009)	11,962	15,277
Facilities/communications	6,958	256	-	256	7,214
Travel/training	746	-	-	-	746
<b>TOTAL EXPENSES WITH INDIRECT</b>	<b><u>\$ 3,338,070</u></b>	<b><u>\$ 115,320</u></b>	<b><u>\$ (7,009)</u></b>	<b><u>\$ 108,311</u></b>	<b><u>\$ 3,446,381</u></b>

**PROJECT CONCERN INTERNATIONAL**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>International</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Personnel costs	\$ 111,117	\$ -	\$ -	\$ -	\$ 111,117
Sub grants/consultants	7,542,108	94,005	-	94,005	7,636,113
Other direct costs	8,538	212,054	(6,311)	205,743	214,281
Facilities/communications	11,973	-	-	-	11,973
Travel/training	9,548	-	-	-	9,548
<b>TOTAL EXPENSES WITH INDIRECT</b>	<b><u>\$ 7,683,284</u></b>	<b><u>\$ 306,059</u></b>	<b><u>\$ (6,311)</u></b>	<b><u>\$ 299,748</u></b>	<b><u>\$ 7,983,032</u></b>

Management and General and Fundraising costs include all costs not directly charged to programs. Included in Management and General costs are approximately \$50,000 in program support costs for the year ended September 30, 2023.

**PROJECT CONCERN INTERNATIONAL**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (277,143)	\$ (8,535,167)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Change in discount on long-term receivables	-	(80,563)
Transfer to Global Communities	-	5,481,233
Decrease (increase) in:		
Pledges receivable	-	3,217,284
Grants receivable	294,800	(1,762,308)
Other assets	(12)	12
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,148,822	(837,610)
Refundable advance	<u>(277,304)</u>	<u>1,871</u>
Net cash provided (used) by operating activities	<u>889,163</u>	<u>(2,515,248)</u>
Net increase (decrease) in cash and cash equivalents	889,163	(2,515,248)
Cash and cash equivalents at beginning of year	<u>903,977</u>	<u>3,419,225</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,793,140</u></b>	<b><u>\$ 903,977</u></b>

## PROJECT CONCERN INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Project Concern International (PCI) is an international, non-governmental, non-profit organization whose mission is to empower people to enhance health, end hunger, overcome hardship, and advance women and girls. Programmatic focus areas include disease prevention, health and nutrition, water and sanitation, food and livelihood security, humanitarian assistance, and disaster risk management. PCI is currently operating in two countries worldwide: India and Nicaragua.

In April 2020, PCI merged with Global Communities, a non-profit organization incorporated 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. PCI will operate as a wholly-owned subsidiary of Global Communities until the time it is fully integrated into Global Communities' operations.

During the year ended September 30, 2023, a donor fully accepted and signed a Novation Agreement that replaced PCI with Global Communities as the awardee for two grants. Accordingly, a portion of PCI's assets and liabilities were transferred to Global Communities during the year ended September 30, 2023. PCI will continue to maintain certain projects funded by private foundations and other donors with the assistance of Global Communities.

##### Basis of presentation -

The accompanying 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 non-profit 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. As of September 30, 2024 and 2023, there were no Board Designated net assets.
- **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 accompanying financial statements represent the activity of PCI only. For the years ended September 30, 2024 and 2023, the financial statements of PCI have been consolidated with Global Communities in accordance with FASB ASC 958-810, Not-for-Profit Entities, *Consolidation*. The consolidated financial statements are available at PCI's headquarters.

## PROJECT CONCERN INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

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

##### Cash and cash equivalents -

PCI considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, PCI maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

PCI had approximately \$79,000 and \$72,000 of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2024 and 2023, respectively. The majority of funds invested in foreign countries are uninsured.

##### Grants receivable -

Grants receivable include unconditional promises to give that are expected to be collected in future years. 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 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. No discount or allowance for uncollectable contributions is reflected in the financial statements as all amounts are expected to be collected within the next year.

##### Income taxes -

PCI is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. PCI is not a private foundation.

##### Support from grants and contributions, including Federal awards -

PCI 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. PCI 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 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.

**PROJECT CONCERN INTERNATIONAL**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

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

Support from grants and contributions, including Federal awards (continued) -

Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. PCI's refundable advances totaled \$34,870 and \$312,174 as of September 30, 2024 and 2023.

In addition, PCI 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. PCI unrecognized conditional contributions to be received in future years totaled \$30,650,000 and \$33,600,000 as of September 30, 2024 and 2023.

Foreign currency translation -

The U.S. Dollar is the functional currency for PCI's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into Dollars at the exchange rate in effect at the date of the Statements of Financial Position.

Currency risk -

PCI is exposed to currency risk through transactions in foreign currencies against the U.S. Dollar. There is also a Statements of Financial Position risk that the net monetary liabilities in foreign currencies will take a higher value when translated into U.S. Dollars as a result of currency movements.

Use of estimates -

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

**2. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<b>Subject to Expenditure for Specified Purpose:</b>		
<b>India</b>	\$ <u>          -</u>	\$ <u>    261,767</u>

## PROJECT CONCERN INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

#### 2. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors during the years ended September 30, 2024 and 2023, respectively:

	<u>2024</u>	<u>2023</u>
<b>Purpose Restrictions Accomplished:</b>		
<b>India</b>	<b><u>\$ 266,869</u></b>	<b><u>\$ 3,396,319</u></b>

#### 3. LIQUIDITY AND AVAILABILITY

As part of PCI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,793,140	\$ 903,977
Grants receivable	<u>155,696</u>	<u>450,496</u>
Subtotal financial assets available within one year	1,948,836	1,354,473
Less: Donor restricted funds	<u>-</u>	<u>(261,767)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 1,948,836</u></b>	<b><u>\$ 1,092,706</u></b>

#### 4. LEASE COMMITMENTS

During the years ended September 30, 2024 and 2023, PCI occupied office space in both San Diego. Global Communities is the tenant on record for the office space. Accordingly, PCI has no future minimum lease obligations under this agreement.

#### 5. CONCENTRATION OF REVENUE

During the years ended September 30, 2024 and 2023, PCI received significant grants and contributions, including cash and commodities, from the following sources and recognized in support and revenue as follows:

	<u>2024</u>	<u>2023</u>
<b>United States Department of Agriculture</b>	<b><u>\$ 2,912,403</u></b>	<b><u>\$ 4,486,944</u></b>

Due to the merger with Global Communities, PCI does anticipate changes in its funding structure. However, these changes are not expected to adversely affect PCI's ability to finance ongoing operations.

## PROJECT CONCERN INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

#### 6. CONTINGENCY

##### Grants -

PCI receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits.

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2024. 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.

PCI has entered into grant agreements with Federal entities that require PCI to provide additional funding through cash or other in-kind services and supplies. If PCI does not meet the terms of the agreements, funding from the grantor could be required to be returned.

##### Customs fees -

In 2002, 2003, 2007, 2008 and 2009, PCI imported commodities for its program in a South American country. These commodities were for both monetization (resale to generate program resources) and distribution to program participants. No commodities were imported from 2004 to 2006.

There is currently a bilateral agreement signed between the United States Federal Government and the local Government that exempts commodity transactions from customs fees. Additional agreements exist between PCI and ministries of the local Government exempting PCI from any customs fees. Additionally, a framework agreement exists between PCI and the Government of this country, which may exempt such commodities from tax.

PCI received notifications from the Customs Office in this country that the commodities it imports for monetization are subject to customs fees, taxes and penalties. The amount being requested as of September 30, 2024 is approximately \$2,110,000.

Several other major United States-based organizations working in the same country on similar programs during that timeframe received similar notifications. Funding for all of these programs has been provided by the United States Agency for International Development (USAID) and the United States Department of Agriculture (together "the Donors"). PCI and legal counsel believe that a 2009 law change, with which PCI is in compliance, appears to have been incorrectly applied retroactively in this situation. PCI and legal counsel also believe that other agreements between PCI and the local Government provide further support that there is no liability as asserted.

PCI has contested these claims through the Tax Appeal Authority and Supreme Court in country, with some success in the past. PCI is currently pursuing resolution of this issue through both administrative and legal actions and will leverage the previous Supreme Court decisions during this process. The Donors have also intervened with the local Government. A liability resulting from this matter is not considered probable; accordingly, no amounts have been accrued as of September 30, 2024 and 2023.

## **PROJECT CONCERN INTERNATIONAL**

### **NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023**

#### **7. RELATED PARTY**

During the years ended September 30, 2024 and 2023, there were intercompany billings between Global Communities and PCI in the amount of \$198,082 and \$340,363, respectively. These amounts are included in the corresponding expense category in the accompanying Statements of Activities and Changes in Net Assets and Statements of Functional Expenses. Additionally, PCI incurred expenses under subawards to Global Communities totaling \$2,877,648 and \$4,466,023 during the years ended September 30, 2024 and 2023. These amounts are included in Sub grants/consultants expense in the accompanying Statements of Functional Expenses.

As of September 30, 2024, PCI owed Global Communities \$878,964. This amount is included with accounts payable and accrued liabilities in the accompanying Statements of Financial Position. As of September 30, 2023, Global Communities owed PCI \$391,367. This amount is included in with grants receivable in the accompanying Statements of Financial Position.

#### **8. SUBSEQUENT EVENTS**

In preparing these financial statements, PCI has evaluated events and transactions for potential recognition or disclosure through June 23, 2025, the date the financial statements were issued.

On January 27, 2025, the OMB of the United States Federal Government instituted a pause (freeze) on the disbursement of Federal grant and loan funds, which became effective on January 28, 2025.

In May 2024, PCI was notified by the Federal Government that certain awards were terminated; these terminations impacted 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 \$30,650,000.

As a result of these award terminations, PCI has implemented measures to reduce costs to a minimum keeping the organization in an active status so that if a strategic interest is identified it can be actively pursued.