GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Report of Independent Auditors
and Consolidated Financial Statements
with Supplemental Information

For the Years Ended June 30, 2021 and 2020

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Report of Independent Auditors

The Board of Directors
Global Partnerships and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Global Partnerships and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Global Partnerships and its subsidiaries as of June 30, 2021 and 2020, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Statements of Financial Position with Consolidating Information and the Consolidated Statement of Activities with Consolidating Information are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Moss Adams LLP

Seattle, Washington
September 24, 2021

CONSOLIDATED FINANCIAL STATEMENTS

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 24,202,672	$ 17,548,837
Contributions receivable, net	847,924	1,231,690
Social-related loans and investments		
Social investment loans receivable, net	112,330,987	115,110,799
Social investments in securities, at cost, net of impairment	10,005,010	10,543,737
Social investments in funds, net, at fair value	273,064	1,239,836
Derivative instruments	1,168,474	3,791,791
Interest receivable	765,748	765,957
Other assets	1,295,415	1,646,125
Property and equipment, net	80,534	49,888
Total Assets	**$ 150,969,828**	**$ 151,928,660**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 337,872	$ 73,199
Deferred rent liability	-	15,068
Accrued liabilities	1,374,867	1,001,271
Derivative instruments	1,658,257	275,808
Interest payable	2,977,376	2,206,741
Debt	126,105,011	130,203,067
Total Liabilities	**132,453,383**	**133,775,154**
Net Assets		
Net Assets without donor restrictions	17,223,460	16,470,554
Net Assets with donor restrictions	1,292,985	1,682,952
Total Net Assets	**18,516,445**	**18,153,506**
Total Liabilities and Net Assets	**$ 150,969,828**	**$ 151,928,660**

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities
For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activity Revenue and Other Support						
Contributions	$ 2,437,936	$ 119,246	$ 2,557,182	$ 2,320,068	$ 940,835	$ 3,260,903
In-kind contributions	20,464	-	20,464	26,456	-	26,456
Interest and fee Income	8,286,990	-	8,286,990	8,644,145	-	8,644,145
Net assets released from restrictions	593,314	(593,314)	-	466,374	(466,374)	-
Total Operating Activity Revenue and Other Support	**11,338,704**	**(474,068)**	**10,864,636**	**11,457,043**	**474,461**	**11,931,504**
Operating Expenses						
Program services	9,980,859	-	9,980,859	9,887,983	-	9,887,983
Management and general	535,224	-	535,224	523,578	-	523,578
Fundraising	387,214	-	387,214	369,870	-	369,870
Total Operating Expenses	**10,903,297**	**-**	**10,903,297**	**10,781,431**	**-**	**10,781,431**
Changes in Net Assets from Operations	**435,407**	**(474,068)**	**(38,661)**	**675,612**	**474,461**	**1,150,073**
Other changes						
Foreign currency transaction gains (losses)	3,570,048	-	3,570,048	(3,165,932)	-	(3,165,932)
Endowment net investment income	-	84,101	84,101	-	9,094	9,094
Impairment on investments in securities	-	-	-	(89,293)	-	(89,293)
Unrealized gain (loss) on investments	463,227	-	463,227	35,691	-	35,691
Realized gain (loss) on investments	289,990	-	289,990	-	-	-
Change in fair value of derivative instruments	(4,005,766)		(4,005,766)	3,448,904		3,448,904
Changes in Net Assets	**752,906**	**(389,967)**	**362,939**	**904,982**	**483,555**	**1,388,537**
Net Assets	**$ 17,223,460**	**$ 1,292,985**	**$ 18,516,445**	**$ 16,470,554**	**$ 1,682,952**	**$ 18,153,506**

See accompanying notes.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Functional Operating Expenses
For the Years Ended June 30, 2021 and 2020

	2021				2020			
	Program Services	*Management and General*	*Fundraising*	*Consolidated Total*	*Program Services*	*Management and General*	*Fundraising*	*Consolidated Total*
Wages and salaries	$ 3,036,371	$ 308,671	$ 260,465	$ 3,605,507	$ 2,696,750	$ 300,970	$ 237,493	$ 3,235,213
Employee benefits	526,298	71,975	61,727	660,000	520,568	75,053	63,360	658,981
Payroll taxes	218,622	20,749	17,815	257,186	165,004	19,476	15,680	200,160
Total Salaries & Related Expenses	**3,781,291**	**401,395**	**340,007**	**4,522,693**	**3,382,322**	**395,499**	**316,533**	**4,094,354**
Interest expense	3,491,045	-	-	3,491,045	3,557,825	-	-	3,557,825
Provision for social investment losses	1,811,647	-	-	1,811,647	1,685,000	-	-	1,685,000
Occupancy	194,600	24,631	26,520	245,751	176,352	20,111	22,371	218,834
Legal and accounting fees	138,844	37,154	-	175,998	169,261	44,285	-	213,546
Travel	34,905	931	578	36,414	198,689	2,685	2,747	204,121
Contract labor	52,260	10,559	3,847	66,666	141,620	9,053	5,078	155,751
Loan fees	57,500	-	-	57,500	150,000	-	-	150,000
Office equipment & software	82,642	9,743	7,136	99,521	71,479	6,675	6,901	85,055
Miscellaneous	70,304	824	1,714	72,842	74,951	1,961	1,496	78,408
Consulting fees	66,120	5,080	-	71,200	74,347	-	-	74,347
Insurance	33,388	31,039	470	64,897	34,897	32,664	458	68,019
Business taxes	102,747	451	100	103,298	55,392	260	227	55,879
Marketing	1,482	-	904	2,386	46,231	-	5,940	52,171
Bank charges	25,691	10,068	2,364	38,123	27,289	5,894	3,332	36,515
Telephone	14,286	1,783	1,949	18,018	15,933	2,087	2,122	20,142
Depreciation & amortization	17,131	1,292	1,358	19,781	15,949	1,205	1,478	18,632
Office supplies & postage	4,976	274	267	5,517	10,446	1,199	1,187	12,832
Total Operating Expenses	**$ 9,980,859**	**$ 535,224**	**$ 387,214**	**$ 10,903,297**	**$ 9,887,983**	**$ 523,578**	**$ 369,870**	**$ 10,781,431**

See accompanying notes.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	$ 362,939	$ 1,388,537
Adjustments to reconcile change in net assets to		
net cash provided by operating activities:		
Depreciation and amortization	19,781	18,633
Provision for loan loss reserve	1,811,647	1,685,000
Change in fair value of derivative instruments	4,005,766	(3,448,904)
Unrealized (gain) on investments in securities	(463,227)	(35,691)
Realized (gain) on investments in securities	(289,990)	-
Foreign currency transaction (gains)/losses	(3,570,048)	3,165,932
Impairment on investments in securities	-	89,293
Endowment net investment income	(84,101)	(9,094)
Contributions restricted to endowment	-	(100,000)
Changes in assets and liabilities:		
Contributions receivable, net	383,766	(310,914)
Interest receivable	209	(86,134)
Other assets	350,710	(718,600)
Accounts payable	264,673	5,158
Deferred rent liability	(15,068)	(23,294)
Accrued liabilities	373,596	848
Interest payable	770,635	509,117
Net Cash Provided by Operating Activities	**3,921,288**	**2,129,887**
Cash Flows From Investing Activities:		
Issuance of social investment loans	(42,356,076)	(54,920,315)
Principal repayments on social investment loans	46,875,787	39,833,867
Purchase of social investments in securities	(3,888,724)	(5,706,500)
Proceeds from investment maturities	6,231,541	956,860
Purchase of property and equipment	(50,427)	(27,278)
Net Cash Provided by/(Used in) Investing Activities	**6,812,101**	**(19,863,366)**
Cash Flows From Financing Activities:		
Issuance of long-term debt	5,117,083	19,039,592
Contributions restricted to endowment	-	100,000
Principal repayments on long-term debt	(9,201,919)	(2,419,849)
Net Cash Provided by/(Used in) Financing Activities	**(4,084,836)**	**16,719,743**
Effect of exchange rate changes in cash	5,282	(9,897)
Net Change in Cash & Cash Equivalents	6,653,835	(1,023,633)
Cash & Cash Equivalents Balance, Beginning of Year	17,548,837	18,572,470
Cash & Cash Equivalents Balance, End of Year	**$ 24,202,672**	**$ 17,548,837**
Supplementary Information:		
Cash paid during the year for		
Interest	$ 2,717,416	$ 3,045,115
Unrelated business income taxes	$ -	$ 9,149

See accompanying notes.

Note 1 – Nature of Operations and Significant Accounting Policies

Organization and Program Services – Founded in 1994, Global Partnerships (GP) is a 501(c)(3) nonprofit impact investor whose mission is to expand opportunity for people living in poverty. GP is an impact-first investor, investing through Social and Impact Investment Funds (collectively, the Funds) in sustainable social enterprises who deliver high-impact products and services for people living in poverty. As of June 30, 2021, GP Funds had more than $119 million invested in 81 microfinance institutions (MFIs), social businesses, and cooperatives in 24 countries in Latin America, the Caribbean, and Sub-Saharan Africa. As of June 30, 2020, GP Funds had more than $124 million invested in 91 microfinance institutions (MFIs), social businesses, and cooperatives in 23 countries in Latin America, the Caribbean, and Sub-Saharan Africa. With these mission-aligned partners, GP Funds support programs that deliver high social impact in the areas of economic resilience, health services, and clean energy.

Since 2005, GP has formed nine Funds to serve as investment vehicles to make low-cost secured and unsecured loans (Social Investment Loans) and, to a lesser extent, equity investments to qualified partner organizations. Lenders in the Funds, who purchased notes payable from the Funds or made loans to the Funds, include accredited private investors, development banks, foundations, and other institutions. Four of these Funds have reached maturity, and all lenders in these funds received timely repayment in full. The current active Funds include Global Partnerships Social Investment Fund 5.0, LLC (SIF5.0), Global Partnerships Social Investment Fund 6.0, LLC (SIF6.0), Global Partnerships/Eleos Social Venture Fund, LLC (SVF), Global Partnerships Impact-First Development Fund, LLC (IFDF), and Global Partnerships Impact-First Growth Fund, LLC (IFGF). GP is the sole equity holder (member) of each of the Funds. SIF5.0, SIF6.0, SVF, IFDF, and IFGF were formed in October 2012, July 2015, April 2016, November 2018, and May 2021, respectively. As of June 30, 2021, GP has outstanding contributed capital of $6,250,000, $9,900,000, $1,000,000, $5,000,000, and $0 to SIF5.0, SIF6.0, SVF, IFDF, and IFGF, respectively. As of June 30, 2020, GP had outstanding contributed capital of $6,250,000, $9,900,000, $1,000,000, $5,000,000, and $0 to SIF5.0, SIF6.0, SVF, IFDF, and IFGF, respectively.

GP Fund Management, LLC (Fund Manager) was formed in June 2005 to provide investment fund management services. Wholly owned by GP, the management responsibilities for the Fund Manager are assigned to GP according to the Investment Advisory Services Agreement. GP contributed $100 in capital contributions at the formation of the Fund Manager.

GP formed a Colombian subsidiary, Global Partnerships Colombia S.A.S. (GP Colombia), in August 2019 to establish legal presence of its field office operations in Bogotá, Colombia. Global Partnerships Colombia S.A.S. is wholly owned by GP.

Principles of Consolidation – The consolidated financial statements include the activities of GP and its subsidiaries, SIF5.0, SIF6.0, SVF, IFDF, IFGF, GP Colombia, and Fund Manager (collectively, the Organization). All inter-company transactions have been eliminated.

COVID-19 – The impacts associated with the COVID-19 pandemic continue to have destabilizing and negative effects on global, national, and local economic and business activity. The Organization continues to monitor the effects the pandemic might have on its social investment partners. Further details on COVID-19 impact on the Organization's Social Investment Loans are discussed in Note 4.

Note 1 – Nature of Operations and Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements

Accounting Standards Update (ASU) 2018-15—*Intangibles—Goodwill and Other—Internal-Use Software* – In August 2018, the FASB issued ASU 2018-15—*Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* ("ASU 2018-15"). ASU 2018-15 was issued to clarify the requirements of Accounting Standards Codification (ASC) 350-40—*Intangibles—Goodwill and Other—Internal-Use Software* ("ASC 350-40"). The ASU clarifies that implementation, setup and other upfront costs related to cloud computing agreements ("CCA") should be accounted for under ASC 350-40. ASU 2018-15 will require companies to capitalize certain costs incurred when purchasing a CCA that is a service. Under the new guidance, companies will apply the same criteria for capitalizing implementation costs in a CCA service as they would for internal-use software. The capitalized implementation costs will generally be expensed over the term of the service arrangement and the related assets will be assessed for impairment using the same model applied to long-lived assets. This ASU is effective for annual reporting periods beginning after December 15, 2019, including interim periods within that reporting period, with early adoption permitted. ASU 2018-15 can be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Organization adopted ASU 2018-15 during the year ended June 30, 2021. The standard had no material impact on its consolidated financial statements and related disclosures.

Contributions Receivable – Contributions and grants with donor restrictions and without donor restrictions are recorded as revenue in the year that a verifiable commitment is made from the donor if such amounts are unconditional. Certain grants have conditions and thus revenue is recognized only upon meeting the required barrier to recognition. To the extent that contributions and grants are with donor restrictions, such amounts are reflected as released from restriction when the purpose restriction has been met, when the passage of time has occurred, or both. Donor intentions are not recorded as revenue until the earlier of it becoming a commitment or when such amounts are received.

Contributions receivable over periods in excess of one year are recorded net of discounts (the present value component) to reflect the time value of money. Amortization of discounts is included in contribution revenue. The discount rates applied are the U.S. Treasury Bill rates, ranging from 0.00%-0.46% and from 0.00%-0.18%, at June 30, 2021 and 2020, respectively.

The allowance for doubtful contributions receivable is maintained at a level considered adequate to provide for potential uncollected past due pledges. The adequacy of the allowance is based upon management's evaluation of the quality, character, and inherent risks associated with the pledges. Management has applied an allowance for doubtful contributions receivable of $10,000 and $5,000, which is netted with the contributions receivable balance at June 30, 2021 and 2020, respectively.

In-Kind Contributions – The Organization receives donated professional services from attorneys and other professional services firms. Donated services are recorded only if specific professional expertise is provided, in accordance with generally accepted accounting principles. In-kind contributions are recorded at fair value in the same year as the services provided with a corresponding charge to operating expenses. Donated goods and services are recorded using market rates. In-kind contributions for the years ended June 30, 2021 and 2020 were $20,464 and $26,456, respectively, and consist of legal services rendered to the Organization.

Note 1 – Nature of Operations and Significant Accounting Policies (Continued)

Interest and Fee Income – In addition to philanthropic support, the Organization earns revenue through the creation and management of its subsidiary investment funds. Fund management fees are earned for which GP provides servicing and monitoring, and Fund closing fees are earned upon some lender capital calls. The fund management and closing fees are eliminated in consolidation. The Organization receives loan interest and commitment fees from partner organizations. Loan interest income is recognized in the period earned, and commitment fees are recognized at the time of the loan since the loan origination costs directly related to these fees generally exceed the fee income. The Organization also earns income from interest bearing accounts held in money markets, certificates of deposits, and investment notes.

Basis of Presentation – The consolidated financial statements of GP have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require reporting information regarding its financial position and activities according to the following net asset classifications:

> Net Assets without Donor Restrictions **-** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of GP's management and the board of directors.
>
> Net Assets with Donor Restrictions **-** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are purpose and/or time restricted in nature. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Cash & Cash Equivalents – The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Social Investment Loan Receivables – Social Investment Loan receivables are stated at the amount management expects to collect on the outstanding balance. Loans are reported at cost equal to the outstanding principal balance adjusted for any charge-offs, the allowance for loan losses, and foreign currency adjustments. Social Investment Loans rated and classified as a Loss are written off, and any recoveries booked as income.

Allowance for Loan Losses – The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible. The allowance is increased by provisions for loan losses charged against earnings and reduced by charge-offs, net of recoveries. This allowance is determined based upon a quarterly or monthly review of each loan to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in the loan portfolio, including age of the balance, historical experience with the partner, and the risk of the institution and country. As part of the loan loss analysis, management assesses critical areas of risk, including management and governance, asset quality, balance sheet strength, strength of earnings and cash flow, country risk, and individual credit strength.

The overall allowance consists of: 1) Specific allowances for individually identified impaired loans (ASC 310-10); and 2) General allowances of loans (ASC 450-20), which incorporates quantitative (e.g. historical loan loss rates) and qualitative risk factors (e.g. portfolio growth and trends, credit concentrations, economic and regulatory factors, etc.). If the financial position of certain borrowers improves over time, it may be possible to recover part of the allowance for loan losses and take the recovered amount back into income.

Note 1 – Nature of Operations and Significant Accounting Policies (Continued)

Non-accrual Loans – Loans are generally placed on non-accrual status when the scheduled loan payment becomes 120 days past due, or sooner based on management consideration of a specific loan. Loans placed on non-accrual status are generally deemed impaired.

Loans may be returned to accrual status when one or more of the following conditions have been met: 1) All payments (according to the original terms of the loan) are brought current; or 2) A current evaluation of the social enterprise indicates the ability to repay the loan according to the original terms. In some cases, management may require an additional period of satisfactory payment history to return the loan to accrual status.

Impaired Loans – Impairment is considered to exist when it is probable that not all amounts will be collected due under the terms of the loan receivable. Factors considered by management in determining whether a loan is impaired include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Loans are considered impaired when the individual evaluation of current information regarding the borrower's financial condition and loan collateral, if any, are impaired and/or cash flows indicate the Organization will be unable to collect all amounts due according to the contractual terms of the loan agreement, including interest payments. If management determines the value of the impaired loan is less than the recorded investment in the loan, the Organization includes the impairment in the calculation of the overall allowance for loan losses in order to absorb such estimated losses. Generally, a loan is charged off when it is deemed to be uncollectible. Loans classified as Substandard and Doubtful are generally deemed impaired. The Organization continues to accrue interest on impaired loans until they are placed on nonaccrual status.

Troubled Debt Restructuring (TDR) – A restructuring of debt constitutes a TDR if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. Concessions could include a reduction in the interest rate to a rate that is below market on the loan, payment extensions, forgiveness of principal, forbearance, and other actions designed to maximize collections. TDRs are separately identified and evaluated for additional loan losses. TDRs are also measured at the present value of estimated future cash flows using the loan's effective rate at inception and compared to the outstanding loan balance to determine if additional allowances should be recorded. For TDRs that subsequently default, management determines the amount of reserve in accordance with its policy for the allowance for loan losses.

Note 1 – Nature of Operations and Significant Accounting Policies (Continued)

Social Investments in Securities – Social related investments are investments that would not be made were it not for the relationship of the investment to the Organization's mission. Although the underlying investments may or may not have a profit motive, that is not the primary focus of the investment by the Organization. The Organization records these investments at cost plus or minus fair value changes when there are observable prices, less impairment. Investments are evaluated for impairment annually and written down when appropriate.

Social Investments in Funds – The Organization accounts for investments in a Limited Partnership using the guidance outlined in ASC 820, *Fair Value Measurement - Measuring the Fair Value of Investments in Certain Entities that Calculate Net Asset Value (NAV per share (or Its Equivalent))*. The Organization uses NAV to measure the fair value of its fund investments when (i) the fund investment does not have a readily determinable fair value and (ii) the NAV of the investment fund is calculated in a manner consistent with the measurement principles of investment Organization accounting, including measurement of the underlying investments at fair value. The NAV is determined based on the fair value of the fund's underlying assets owned by the fund less its liabilities, then divided by the number of units outstanding. Earnings generated from investments are recorded in the consolidated statements of activities.

Accounting for Derivative Instruments – Derivatives which consist of foreign currency swap agreements and forward contracts are recorded in the consolidated statements of financial position at fair value. Fair value for the Organization's derivative financial instruments is based on the present value of projected cash flows given currency rates in effect as of a given measurement date. Changes in the fair value of derivative instruments are recorded in the consolidated statements of activities.

Other Assets – Other assets were $1,295,415 and $1,646,125 at June 30, 2021 and 2020, respectively. Other assets consist of both an investment, carried at cost, and a refundable deposit with the Organization's hedging counterparty, MFX Solutions, LLC, which totaled $1,012,836 and $1,012,836 at June 30, 2021 and 2020, respectively.

Property and Equipment – The Organization capitalizes assets with a cost greater than $1,000 and an estimated useful life of one or more years. Purchased property is carried at cost. Donated property is recorded at fair value when received. Depreciation is computed using the straight-line method of accounting over useful lives of five to ten years. Capitalized software costs from cloud computing arrangements are amortized over the term of the service agreement.

Accounting for Foreign Currency Gains and (Losses) – The books and records of the Organization are maintained in U.S. dollars. Assets and liabilities are translated into U.S. dollars using the current exchange rates at the date of the consolidated statements of financial position. Foreign currency transaction gains and losses are recorded in the consolidated statements of activities as other changes in net assets without donor restrictions. The Organization maintains two bank accounts in foreign currency. Foreign currency gains of $3,570,048 and losses of ($3,165,932) were recognized for the years ended June 30, 2021 and 2020.

Income Tax – The Internal Revenue Service has determined that GP is exempt from federal income tax under Internal Revenue Code Section 501(c)(3); accordingly, no provision has been made for federal income tax in the accompanying consolidated financial statements. The five investment Funds and GP Fund Management, LLC are single member limited liability companies and are disregarded for federal tax purposes. GP files income tax returns with the U.S. government. GP is subject to income tax examinations for the current year and certain prior years based on the applicable laws and regulations.

Note 1 – Nature of Operations and Significant Accounting Policies (Continued)

Allocation of Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Expenses directly attributable with the Organization's program activities are charged to program services. Expenses not directly attributable with program activities, such as overhead, are allocated based on factors such as headcount and estimated time spent on program activities by specific employees.

Use of Estimates – The preparation of consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions. These affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Significant estimates include the allowance for loan losses, allocation of functional expenses, and fair value measurement. Actual results could differ from these estimates.

Operating and Nonoperating Activities – All activities are considered operating except for the change in fair value of derivative instruments, impairment of investments in securities, endowment net investment income, unrealized and realized gains and losses, and foreign currency transaction gains and losses.

Concentrations – Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash, contributions receivable, loans receivable, derivatives, investments in securities, and debt. The Organization maintains some of its cash and cash equivalents in depository institution accounts that, at times, may exceed federally insured limits.

The Organization had contributions receivable from three donors which represents approximately 44 percent of total contributions receivable at June 30, 2021 and four donors which represented approximately 50 percent of total contributions receivable at June 30, 2020. The Organization had in-kind contributions from one law firm representing 73 percent of total in-kind contributions during the year ended June 30, 2021 and one law firm representing 98 percent of total in-kind contributions during the year ended June 30, 2020. The Organization had notes payable to one lender representing 33 and 37 percent of outstanding debt at June 30, 2021 and 2020, respectively.

Subsequent Events – The Organization's management has evaluated subsequent events and transactions for potential recognition or disclosure through September 24, 2021, the date on which the consolidated financial statements were available to be issued.

Note 2 – Liquidity and Availability of Funds

The following represents the Organization's financial assets at June 30:

	2021	2020
Financial Assets		
Cash and cash equivalents	$ 24,202,672	$ 17,548,837
Contributions receivable, net	847,924	1,231,690
Social-related loans and investments	122,609,061	126,894,372
Interest receivable	765,748	765,957
Total Financial Assets	**148,425,405**	**146,440,856**
Less Amounts Not Available to be Used Within One Year Due to:		
Contributions receivable, net	511,424	836,618
Board-designated operating reserves	1,514,000	1,450,000
Social-related loans and investments	67,086,561	68,094,316
Total Amounts Not Available to be Used Within One Year	**69,111,985**	**70,380,934**
Financial Assets available to meet general expenditures over the next twelve months	**$ 79,313,420**	**$ 76,059,922**

As part of the Organization's liquidity management, the Organization maintains cash and cash equivalents to meet at least three months of operating expenses, approximately $1,514,000 and $1,450,000 at June 30, 2021 and 2020, respectively. Excess cash is invested in short-term investments, including money market accounts, certificates of deposit with community banks, and notes with other social investment organizations. The Organization also ladders out fixed income investments of various maturity dates, including certificates of deposit and social investment notes, to align with future operating expenses.

The Funds receive periodic interest and principal payments from their loans, which they use to reinvest or pay down lender note maturities, interest payments, and operating expenses.

Note 3 – Contributions Receivable and Contribution Revenue

Contributions receivable consist of the following unconditional promises to give by donors at June 30:

	2021	2020
Contributions due in less than one year	$ 346,500	$ 400,072
Contributions due in one to five years	512,229	837,999
Gross Contributions Receivable	858,729	1,238,071
Less allowance for uncollectable pledges	(10,000)	(5,000)
Less unamortized discount to present value	(805)	(1,381)
Total Contributions Receivable	**$ 847,924**	**$ 1,231,690**

Note 4 – Social Investment Loans Receivable

The Organization provides loans to a select group of mission-aligned partner organizations, such as microfinance institutions, cooperatives, and other social enterprises serving people living in poverty. These partner organizations are financially sustainable channels that deliver goods and services that empower people in poverty to address the challenges they face. However, too often these organizations lack the access to affordable capital to reach those who could truly benefit. The Organization's debt Funds provide loans to partners to help sustain and grow already proven solutions to poverty. These loans mature at various times over the life of the Funds and are disbursed and repaid in either U.S. dollars or the local currency of the respective country. Interest income is recognized when earned based on rates established in the underlying loan agreements. Interest is not accrued on loans that are in default.

Loans receivable are due as follows for the years ending June 30:

2022	$ 52,804,973
2023	52,788,822
2024	8,823,162
2025	1,512,831
	115,929,788
Less allowance for loan losses	(3,598,801)
Total Social Investment Loans Receivable	**$ 112,330,987**

Loans are subject to loan agreements with covenants regarding the financial performance of the borrower or borrowing base formulas that must be met before the Organization funds the commitment. Borrowers must maintain certain covenants during the life of the loan to not breach a loan covenant.

In addition, the Organization manages the potential risk in credit commitments by limiting the total amount of arrangements, both by organizations and/or affiliates, by monitoring the size and maturity structure of these loans, and by applying the same credit standards for all loan activities.

Note 4 – Social Investment Loans Receivable (Continued)

For certain extensions of credit, the Organization may require collateral based on its assessment of a borrower's credit risk. Collateral requirements for each borrower may vary according to the specific credit underwriting, terms and structure of loans funded immediately or under a commitment to fund. Although the Organization believes the related collateral to be adequate, there is no assurance that the underlying assets have enough value to fully collateralize the outstanding balances.

The allowance for loan losses represents the estimated, uncollectible receivable based on an internal credit risk rating assessment of each outstanding loan. All loans are reserved based on management's estimates of its borrower's creditworthiness, current economic conditions, and historical information. Loans are assigned a credit risk rating, which is based on various criteria such as the borrower's management and governance, asset quality, liquidity and balance sheet strength, earnings and cash flow, and country risk. There is at least a reasonable possibility that the recorded estimate will change by a material amount in the near term.

A reconciliation of the allowance for loan losses was as follows at June 30:

	2021	2020
Allowance for Loan Losses, Beginning Balance	$ 3,325,000	$ 1,865,000
Direct loan write-downs	(1,622,430)	(225,000)
Recoveries of amounts previously charged off	84,584	-
Provision for loan loss reserve	1,811,647	1,685,000
Allowance for Loan Losses, Ending Balance	**$ 3,598,801**	**$ 3,325,000**

The allowance for loan losses by sector was as follows at June 30:

	2021	2020
Microfinance	$ 2,933,466	$ 2,291,000
Agriculture	85,458	400,000
Other Social Enterprises	579,877	634,000
Total Allowance for Loan Losses	**$ 3,598,801**	**$ 3,325,000**

The Organization provides some of its Social Investment Loans denominated in the foreign currency of the country where the partner organization is located. Social Investment Loans receivable denominated in a foreign currency are translated into U.S. dollars on the consolidated statement of financial position date rate of exchange. Foreign currency transaction gains of $3,564,766 and losses of ($3,156,035) were recognized for the years ended June 30, 2021 and 2020, respectively, and are included in the nonoperating section of the consolidated statements of activities.

Loan concentrations may exist when there are amounts loaned to borrowers engaged in similar activities or similar types of loans extended to a diverse group of borrowers that would cause them to be similarly impacted by economic or other conditions.

Note 4 – Social Investment Loans Receivable (Continued)

Sector concentrations allocation was as follows at June 30:

	2021	2020
Microfinance	87%	85%
Agriculture	5%	7%
Other Social Enterprises	8%	8%
Total	**100%**	**100%**

Regional concentrations allocation was as follows at June 30:

	2021	2020
Latin America	76%	76%
Sub-Saharan Africa	18%	15%
Global	6%	9%
Total	**100%**	**100%**

Management assesses the credit quality of its loans with an internal risk rating system, where loans are classified in the following categories: acceptable, special mention, substandard, doubtful, and loss. The risk ratings reflect the relative strength of the sources of repayment.

Acceptable – These loans are generally considered to have sufficient sources of repayment in order to repay the loan in full in accordance with all terms and conditions. These borrowers may have some credit risk that requires monitoring, but full repayment is expected.

Special Mention – A special mention asset has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification.

Substandard – A substandard asset is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Organization will sustain some loss if the deficiencies are not corrected.

Doubtful – An asset classified as doubtful has all the weaknesses inherent in one classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Note 4 – Social Investment Loans Receivable (Continued)

Loss – Assets classified as loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the assets have absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be affected in the future.

These internal risk ratings are reviewed continuously and adjusted for changes in borrower status and the likelihood of loan repayment.

The following table shows the loan portfolio allocated by management's internal risk ratings at June 30, 2021 and 2020:

	Credit Risk Profile by Internally Assigned Grade			
2021 Grade:	**Total**	**Microfinance**	**Agriculture**	**Other Social Enterprises**
Acceptable	$ 103,517,103	$ 93,679,882	$ 5,617,467	$ 4,219,754
Special mention	7,747,777	2,247,777	-	5,500,000
Substandard	4,664,908	4,477,408	-	187,500
Doubtful	-	-	-	-
Loss	-	-	-	-
	$ 115,929,788	**$ 100,405,067**	**$ 5,617,467**	**$ 9,907,254**
2020 Grade:	**Total**	**Microfinance**	**Agriculture**	**Other Social Enterprises**
Acceptable	$ 105,878,403	$ 95,613,820	$ 7,953,910	$ 2,310,673
Special mention	9,113,999	2,363,999	-	6,750,000
Substandard	3,168,397	2,222,575	945,822	-
Doubtful	275,000	-	-	275,000
Loss	-	-	-	-
	$ 118,435,799	**$ 100,200,394**	**$ 8,899,732**	**$ 9,335,673**

Impaired Loans of the portfolio were approximately $6,753,000 and $4,693,000, at the years ended June 30, 2021 and 2020, respectively. The total allowance for loan losses recorded on impaired loans were $1,518,000 and $878,000 at the years ended June 30, 2021 and 2020, respectively.

The following table shows an aging analysis of the loan portfolio at June 30, 2021 and 2020:

	2021	2020
Current	$ 112,534,630	$ 117,214,977
30-89 days past due	-	-
90 days paste due and still accruing	-	-
Nonaccrual	3,395,158	1,220,822
Total	**$ 115,929,788**	**$ 118,435,799**

Note 4 – Social Investment Loans Receivable (Continued)

Loan Modifications

The COVID-19 pandemic caused several of the social enterprise partners to experience disruption to their business. Management has worked closely with its partners to ensure their operations were not disrupted and that they could continue serving those people living in poverty. As a result, some scheduled loan payments were either restructured or rescheduled.

During the year ended June 30, 2021, there were a total of 10 loans that were modified as a result of the impacts of COVID-19. The total value of the portion of the loans modified was $4,906,045. During the year ended June 30, 2020, there were a total of 20 loans that were modified, of which 17 resulted directly from the impacts of COVID-19. The total value of the portion of the loans modified was $11,218,805. Most modifications resulted in extensions of upcoming principal payments and/or delay in final payment of loan principal. No modifications resulted in lower interest rates, and there were no changes to total principal payments nor were there forbearances of loans.

Two loans modified during the year ended June 30, 2021 and two loans modified during the year ended June 30, 2020 met the criteria of a Troubled Debt Restructuring (TDR). The modifications included increasing the interest rate and deferral of principal payments.

The following table presents loan balances of troubled debt restructurings at the years ended June 30, 2021 and 2020:

	2021		2020	
Number of Loans		4		3
Pre And Post Modification Amount	$	3,357,525	$	1,525,000

Management does not anticipate any negative effects in cash flows from the TDRs that occurred as of June 30, 2021 and 2020. The effects of COVID-19 on these social enterprises have been factored into management's assessment of the allowance for loan loss reserve.

Note 5 – Derivative Financial Instruments

To manage the fluctuations of foreign currency values related to the loans denominated in foreign currencies, the Organization enters into a currency hedge agreement, which includes cross-currency interest rate swap agreements and forward contracts, for each foreign currency loan. A currency hedge is a foreign exchange agreement between two parties to exchange principal and interest payments on a loan in one currency for principal and interest payments on an equal loan in another currency. The Organization enters into currency hedge agreements for loans denominated in foreign currencies and these hedge agreements mature in concert with the outstanding foreign currency loans. The cost of the currency hedge agreements is part of the loan costs paid for by the partner organization receiving the foreign currency loan. The Organization records the net settlement from each transaction. As a result of the currency hedge agreements, the Organization has reduced its currency risk so that the value of the loan repayments would not be less or greater than the original loan amounts.

Note 5 – Derivative Financial Instruments (Continued)

The Organization does not enter into derivative financial instrument agreements for trading or speculative purposes. The net position of the currency hedge is recorded in the consolidated statements of financial position. The derivative instruments were recorded at their fair value resulting in an unrealized gain (loss) in fair value of derivative instruments of ($4,005,766) and $3,488,904 for the years ended June 30, 2021 and 2020, respectively. The change in fair value of derivative instruments is included in the nonoperating section of the consolidated statements of activities. The balance of the derivative instruments at June 30, 2021 and 2020 is shown in Note 7.

Note 6 – Social Investments

The objective of the Organization's investments is to provide not only financial returns, liquidity, and protection of principal, but also to further the Organization's philanthropic mission and social impact goals. The Organization holds various social-related investments across investment products, including community investment notes, certificates of deposits, mutual funds, and seed and early-stage debt and equity investments in social enterprises.

Social Investments in Securities – The certificates of deposit are placed in a financial institution providing sources of capital to underserved communities. These investments are reported at cost plus accrued interest. Community investment notes represent fixed income securities with a targeted investment in a number of different impact areas including microfinance and development projects. These investments are reported at cost.

The seed and early-stage debt and equity investments consist of business enterprises that seek to deliver high-impact products and services to impoverished households. Securities consist of equity and convertible debt instruments. The Organization records these investments at cost plus any fair value changes when there are observable prices, less impairment. The Organization evaluates impairment by evaluating each of the underlying investee companies, looking at both qualitative and quantitative information to see if conditions exist that would indicate an impairment that is other than temporary. Evaluation factors include any significant deterioration in the earnings performance, asset quality, or business prospects of the investee, a bona fide offer to purchase, an offer by the investee to sell, or a completed auction process for the same or similar investment for an amount less than the carrying amount of that investment. Other factors include significant changes to the regulatory, economic, or technological environment of the investee.

As of June 30, 2021 and 2020, the Organization had securities in 13 and 15 business enterprises, respectively. During the year ended June 30, 2021, one of the social business enterprises completed a wind-down phase and is no longer an investee company to the Organization. During the year ended June 30, 2021, securities held by the Organization of another social business enterprise were sold, and the Organization recognized a realized gain of $289,990 for the year ended June 30, 2021.

For the years ended June 30, 2021 and 2020, management performed an impairment analysis and recognized a $0 and $89,293 loss, respectively. For years ended June 30, 2021 and 2020, the Organization performed an analysis of observable price changes that could result in a fair value change, and recognized an unrealized gain of $470,131 and $0, respectively.

As of June 30, 2021, two investments were marked below cost, with a total impairment of $112,560 at June 30, 2021. As of June 30, 2020, three investments were marked below cost, with total impairment of $212,560 at June 30, 2020.

Note 6 – Social Investments (Continued)

The tables below present investments in securities, net, at June 30:

	2021	2020
Seed and early stage investments	$ 3,956,340	$ 3,081,240
Certificates of deposit	4,036,550	5,050,377
Community investment notes	2,012,120	2,412,120
Total Social Investments in Securities	**$ 10,005,010**	**$ 10,543,737**

Social Investments in Funds – The limited partnership investment provides debt financing to financial institutions that in turn make loans to entrepreneurs in developing communities. The Organization may withdraw all or any portion of its limited partnership interests based on the tranche in which the funds are invested, subject to limitations outlined in the offering memorandum. Funds invested in tranche A may be withdrawn provided a 30-day prior written notice. Funds invested in tranche B may be withdrawn on an annual basis. As of June 30, 2020, the Organization held only limited partnership interests in tranche A. During the year ended June 30, 2021, the Organization fully redeemed its investment in the limited partnership.

Pursuant to a permanent endowment agreement entered into by the Organization and a donor, the Organization holds endowment funds through an investment in a social index mutual fund.

The tables below present investments in Funds, measured at fair value, at June 30:

	2021	2020
Mutual fund	$ 273,064	$ 204,179
Limited partnership interests	-	1,035,657
Total Social Investments in Funds	**$ 273,064**	**$ 1,239,836**

Note 7 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. US GAAP defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, US GAAP uses a fair value hierarchy which prioritizes the inputs to valuation approaches into three broad levels based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization's market assumptions. These two types of inputs create the following fair value hierarchy:

Note 7 – Fair Value Measurements (Continued)

Level 1 – Inputs are unadjusted and represent quoted prices in active markets for identical assets at the measurement date.

Level 2 – Inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, and model-derived valuations whose inputs are observable.

Level 3 – Inputs are unobservable and reflect institutional management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and/or the risk inherent in the inputs to the model.

Investments in limited partnerships are measured using NAV as a practical expedient, and had a balance of $0 and $1,035,657 at June 30, 2021 and 2020, respectively.

The tables below present the assets measured at fair value at June 30:

	2021			
	Total	Level 1	Level 2	Level 3
Mutual Fund	**$ 273,064**	$ 273,064	-	-
	$ 273,064	**$ 273,064**	**$ -**	**$ -**

	2020			
	Total	Level 1	Level 2	Level 3
Mutual Fund	**$ 204,179**	$ 204,179	-	-
Derivative Financial Instruments, net	**3,515,983**	-	-	3,515,983
	$ 3,720,162	**$ 204,179**	**$ -**	**$ 3,515,983**

The tables below present the liabilities measured at fair value at June 30:

	2021			
	Total	Level 1	Level 2	Level 3
Derivative Financial Instruments, net	**$ 489,783**	-	-	$ 489,783
	$ 489,783	**$ -**	**$ -**	**$ 489,783**

There were no liabilities measured at fair value at June 30, 2020.

Note 7 – Fair Value Measurements (Continued)

Valuation techniques utilized to determine fair value are consistently applied. There was no change in the valuation of investments using Level 3 inputs during the years ended June 30, 2021 and 2020. There were no transfers in/out of Level 3 investments during the years ended June 30, 2021 and 2020. There were no unfunded commitments in the Limited Partnership at June 30, 2021 and 2020. The following is a description of the valuation methodologies used for assets measured at fair value.

Derivative Financial Instruments – Determined to be Level 3 as the fair value is determined by the institutional managers' calculation of the present value of projected future cash flows given currency rates in effect as of a given measurement date.

Note 8 – Property and Equipment, Net

Property and equipment, net, consists of the following at June 30:

	2021	2020
Furniture, fixtures, equipment and software	$ 363,523	$ 313,096
Leasehold improvements	31,313	31,313
	394,836	344,409
Less accumulated depreciation and amortization	(314,302)	(294,521)
Total Property and Equipment, Net	**$ 80,534**	**$ 49,888**

Depreciation and amortization expense for the years ended June 30, 2021 and 2020, was $19,781 and $18,633, respectively.

Note 9 – Debt

Debt consists of the following at June 30:

	2021	2020
Global Partnerships Limited recourse notes issued between March 2013 and June 2015 to provide capital for GP's equity contribution in SIF 5.0. These notes have only limited recourse to the performance of SIF 5.0 and have no claim on GP's general resources for repayment. The notes accrue interest annually at a rate of 5%, but payment is only made at the maturity date and is dependent on surplus cash from SIF 5.0 that is returned to GP for its equity in the Fund. The notes mature in March 2023. As of June 30, 2021 and 2020, the contingent interest liability to be paid at maturity totaled $2,264,283 and $1,882,651, and is reflected on the consolidated statements of financial position for Fiscal Years ending June 30, 2021 and 2020, respectively.	$ 5,750,000	$ 5,750,000

Note 9 – Debt (Continued)

Limited recourse notes issued between December 2015 and May 2019 to provide capital for GP's equity contribution in SIF 6.0. These notes have only limited recourse to the performance of SIF 6.0 and have no claim on GP's general resources for repayment. The notes accrue interest annually at a rate of 3.5% to 6%, but payment is only made at the maturity date and is dependent on surplus cash from SIF 6.0 that is returned to GP for its equity in the Fund. The notes mature in September 2025. As of June 30, 2021 and 2020, the contingent interest liability to be paid at maturity totaled $1,887,236 and $1,425,986, respectively.	9,150,000	9,150,000
Limited recourse notes issued in September 2019 to provide capital for GP's equity contribution in IFDF. These notes have only limited recourse to the performance of IFDF and have no claim on GP's general resources for repayment. The notes accrue interest annually at a rate of 2%, but payment is only made at the maturity date and is dependent on surplus cash from IFDF that is returned to GP for its equity in the Fund. The notes mature in September 2029. As of June 30, 2021 and 2020, the contingent interest liability to be paid at maturity totaled $141,096 and $61,096, respectively.	4,000,000	4,000,000
Recoverable grant agreement issued in March 2018 to provide capital for early-stage social enterprises. This recoverable grant is only repayable from the cumulative proceeds of the capital invested and has no claim on GP's general resources for repayment.	279,786	255,000
Recoverable grant agreement, net of discount, issued in April 2018 to provide early-stage lending to a social enterprise. This recoverable grant is only repayable from the proceeds of the capital invested and has no claim on GP's general resources for repayment. The recoverable grant was repaid in May 2021.	-	77,076
<u>Global Partnerships/Eleos Social Venture Fund</u>		
Unsecured notes in SVF issued between July 2016 and June 2020 with interest payable at a rate of 2.5% per annum, but payment is only made at the maturity date and is dependent on surplus cash from SVF. The notes mature in July 2026. As of June 30, 2021 and 2020, the contingent interest liability to be paid at maturity totaled $178,973 and $111,081, respectively.	2,025,2225	2,671,000

Note 9 – Debt (Continued)

Global Partnerships Social Investment Fund 5.0 Unsecured notes in SIF 5.0 issued between March 2013 and November 2019 with interest payable quarterly at rates ranging from 1% to 4% per annum, maturity dates between March 2021 and March 2023.	39,100,000	40,100,000
Global Partnerships Social Investment Fund 6.0 Unsecured notes in SIF 6.0 issued between March 2016 and May 2021 with interest payable quarterly at rates ranging from 1% to 4% per annum, maturity dates between September 2020 and September 2025.	52,050,000	54,450,000
Global Partnerships Impact-First Development Fund Unsecured notes in IFDF issued in October 2019 with interest payable at a rate of 2% per annum, but payment is only made at the maturity date. The notes mature in September 2029. As of June 30, 2021 and 2020, the contingent interest liability to be paid at maturity totaled $434,205 and $159,205, and is reflected on the consolidated statements of financial position for Fiscal Years ending June 30, 2021 and 2020, respectively.	13,750,000	13,750,000
Total Debt	**$ 126,105,011**	**$ 130,203,067**

Debt maturities consist of the following at June 30:

2022	$ 18,150,000
2023	47,450,000
2024	3,150,000
2025	-
2026	37,300,000
Thereafter	20,055,011
	$ 126,105,011

Lenders in the Funds purchased unsecured notes and provided loans to the Funds for the purpose of providing the resources for making secured and unsecured loans to qualified partner institutions in Latin America, the Caribbean and Sub-Saharan Africa.

Note 10 – Net Assets

Net Assets with donor restrictions are available for the following purposes at June 30:

	2021	2020
Contributions receivable - time restriction	$ 791,921	$ 1,118,690
Program related Grants - purpose restriction	228,000	360,083
Endowment - perpetuity	273,064	204,179
Total Assets with Donor Restrictions	**$ 1,292,985**	**$ 1,682,952**

During the year ended June 30, 2021, releases from restrictions totaled $132,083 for program, $15,216 for permanent endowment, and $446,015 due to the collection of pledges. During the year ended June 30, 2020, releases from restrictions totaled $69,094 for program, $6,860 for permanent endowment, and $390,420 due to the collection of pledges.

The corpus of Endowment of $200,000 is restricted in perpetuity, though per terms of the endowment agreement entered into between the Organization and the donor, the Organization is permitted to utilize or spend a specified percentage of the Endowment balance, with certain performance thresholds during the first three years of the Endowment. During the year ended June 30, 2021 and 2020, the Organization appropriated $15,216 and $6,860 of the Endowment Fund for operating expenses, respectively.

A reconciliation of the beginning and ending balances of the Endowment Fund, was as follows at June 30:

	2021	2020
Endowment Fund, Beginning Balance	$ 204,179	$ 101,945
Investment return	84,101	9,094
Contributions	-	100,000
Amounts appropriated for expenditure	(15,216)	(6,860)
Endowment Fund, Ending Balance	**$ 273,064**	**$ 204,179**

As of June 30, 2021 and 2020, net assets without donor restrictions consist of the board designated reserves of three months of operating expenses of approximately $1,514,000 and $1,450,000, respectively.

Note 11 – Commitments

Operating Leases – GP leases office space under a noncancelable operating lease agreement that expires in January 2022. The lease calls for minimum lease payments of $17,874 per month. GP also leases office space in Bogotá, Colombia under a noncancelable operating lease agreement that expires in August 2022. The monthly payments range between $860 and $2,151. GP leases office equipment under a noncancelable operating lease that expires in May 2022. The equipment lease calls for monthly payments of $225.

Future minimum rentals under noncancelable operating leases are as follows for the years ended June 30:

For the Year Ending June 30:		
2022	$	145,243
2023		2,048
Total Payments	**$**	**147,291**

Rent expense for operating leases totaled $249,657 and $205,015 for the years ended June 30, 20221 and 2020, respectively.

Note 12 – Retirement Plan

GP has a 401(k) retirement plan (the Plan) available to all eligible U.S. employees. GP makes contributions to the Plan for participants in accordance with requirements specified in the Plan documents. During the years ended June 30, 2021 and 2020, GP's contributions to the Plan were $211,718 and $190,578, respectively.

Note 13 – Related Parties

Certain unsecured notes invested in the Organization are held with board members and other related parties with outstanding balances of approximately $5,551,000 and $6,432,000 for the years ended June 30, 2021 and 2020, respectively. Contributions to the Organization from board members and other related parties were approximately $1,968,000 and $753,000 for the years ended June 30, 2021 and 2020, respectively.

SUPPLEMENTAL INFORMATION

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Financial Position with Consolidating Information
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Global Partnerships	Global Partnerships Eleos Social Venture Fund, LLC	Global Partnerships Social Investment Fund 6.0, LLC	Global Partnerships Social Investment Fund 5.0, LLC	Global Partnerships Impact First Development Fund, LLC	Global Partnerships Impact First Growth Fund, LLC	GP Fund Mangement, LLC	Eliminations	**2021**	**2020**
Assets										
Cash and cash equivalents	$ 6,767,950	$ 150,679	$ 9,860,487	$ 4,164,045	$ 3,258,722	$ -	$ 789	$ -	$ 24,202,672	$ 17,548,837
Contributions receivable, net	847,924	-	-	-	-	-	-	-	847,924	1,231,690
Social-related loans and investments										
Social investment loans receivable, net	-	-	51,787,729	44,813,541	15,729,717	-	-	-	112,330,987	115,110,799
Social investments in securities, at cost, net of impairment	6,432,896	3,572,114	-	-	-	-	-	-	10,005,010	10,543,737
Social investments in funds, net, at fair value	273,064	-	-	-	-	-	-	-	273,064	1,239,836
Derivative instruments	-	-	663,960	305,624	198,890	-	-	-	1,168,474	3,791,791
Interest receivable	36,492	-	218,304	455,688	55,264	-	-	-	765,748	765,957
Other assets	106,551	-	604,657	403,417	220,000	-	10,500	(49,710)	1,295,415	1,646,125
Property and equipment, net	80,534	-	-	-	-	-	-	-	80,534	49,888
Investment in subsidiaries	26,608,822	-	-	-	-	-	-	(26,608,822)	-	-
Total Assets	**$ 41,154,233**	**$ 3,722,793**	**$ 63,135,137**	**$ 50,142,315**	**$ 19,462,593**	**$ -**	**$ 11,289**	**$ (26,658,532)**	**$ 150,969,828**	**$ 151,928,660**
Liabilities and Net Assets										
Liabilities										
Accounts payable	$ 78,133	$ -	$ 77,329	$ 194,721	$ 14,166	$ 12,733	$ 10,500	$ (49,710)	$ 337,872	$ 73,199
Deferred rent liability	-	-	-	-	-	-	-	-	-	15,068
Accrued liabilities	1,115,586	-	119,787	79,164	60,330	-	-	-	1,374,867	1,001,271
Derivative instruments	-	-	375,224	1,019,574	263,459	-	-	-	1,658,257	275,808
Interest payable	2,264,283	-	116,602	162,286	434,205	-	-	-	2,977,376	2,206,741
Debt	19,179,786	2,305,011	52,050,000	39,100,000	13,750,000	-	-	(279,786)	126,105,011	130,203,067
Total Liabilities	**22,637,788**	**2,305,011**	**52,738,942**	**40,555,745**	**14,522,160**	**12,733**	**10,500**	**(329,496)**	**132,453,383**	**133,775,154**
Net Assets										
Net Assets & members equity	-	1,000,000	9,900,000	6,250,000	5,000,000	-	100	(22,150,100)	-	-
Accumulated earnings (deficit)	-	417,782	496,195	3,336,570	(59,567)	(12,733)	689	(4,178,936)	-	-
Net Assets without donor restrictions	17,223,460	-	-	-	-	-	-	-	17,223,460	16,470,554
Net Assets with donor restrictions	1,292,985	-	-	-	-	-	-	-	1,292,985	1,682,952
Total Net Assets	**18,516,445**	**1,417,782**	**10,396,195**	**9,586,570**	**4,940,433**	**(12,733)**	**789**	**(26,329,036)**	**18,516,445**	**18,153,506**
Total Liabilities and Net Assets	**$ 41,154,233**	**$ 3,722,793**	**$ 63,135,137**	**$ 50,142,315**	**$ 19,462,593**	**$ -**	**$ 11,289**	**$ (26,658,532)**	**$ 150,969,828**	**$ 151,928,660**

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GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities with Consolidating Information
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Global Partnerships Without Donor Restrictions	Global Partnerships With Donor Restrictions	Global Partnerships Eleos Social Venture Fund LLC	Global Partnerships Social Investment Fund 6.0, LLC	Global Partnerships Social Investment Fund 5.0, LLC	Global Partnerships Impact First Development Fund, LLC	Global Partnerships Impact First Growth Fund, LLC	GP Fund Management, LLC
Operating Activity Revenue and Other Support								
Contributions	$ 2,437,936	$ 119,246	$ -	$ -	$ -	$ -	$ -	$ -
In-kind contributions	20,464	-	-	-	-	-	-	-
Interest and fee Income	2,424,700	-	224	4,063,206	3,200,306	925,554	-	2,327,000
Net assets released from restrictions	593,314	(593,314)	-	-	-	-	-	-
Total Operating Activity Revenue and Other Support	**5,476,414**	**(474,068)**	**224**	**4,063,206**	**3,200,306**	**925,554**	**-**	**2,327,000**
Operating Expenses								
Program services	4,902,927	-	1,793	3,836,933	2,915,978	637,445	12,733	2,327,050
Management and general	535,224	-	-	-	-	-	-	-
Fundraising	387,214	-	-	-	-	-	-	-
Total Operating Expenses	**5,825,365**	**-**	**1,793**	**3,836,933**	**2,915,978**	**637,445**	**12,733**	**2,327,050**
Changes in Net Assets from Operations	**(348,951)**	**(474,068)**	**(1,569)**	**226,273**	**284,328**	**288,109**	**(12,733)**	**(50)**
Other changes								
Income from subsidiaries	908,736	-	-	-	-	-	-	-
Foreign currency transaction gains (losses)	(6,023)	-	-	1,307,295	2,103,433	165,343	-	-
Endowment net investment income		84,101	-	-	-	-	-	-
Impairment on investments in securities	-	-	-	-	-	-	-	-
Unrealized gain (loss) on investments	199,144	-	264,083	-	-	-	-	-
Realized gain (loss) on investments	-	-	289,990	-	-	-	-	-
Change in fair value of derivative instruments	-	-	-	(1,565,317)	(2,133,483)	(306,966)	-	-
Changes in Net Assets	**752,906**	**(389,967)**	**552,504**	**(31,749)**	**254,278**	**146,486**	**(12,733)**	**(50)**
Net Assets	**$ 17,223,460**	**$ 1,292,985**	**$ 1,417,782**	**$ 10,396,195**	**$ 9,586,570**	**$ 4,940,433**	**$ (12,733)**	**$ 789**

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GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities with Consolidating Information
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Eliminations	2021			2020		
		Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activity Revenue and Other Support							
Contributions	$ -	$ 2,437,936	$ 119,246	$ 2,557,182	$ 2,320,068	$ 940,835	$ 3,260,903
In-kind contributions	-	20,464	-	20,464	26,456	-	26,456
Interest and fee Income	(4,654,000)	8,286,990	-	8,286,990	8,644,145	-	8,644,145
Net assets released from restrictions	-	593,314	(593,314)	-	466,374	(466,374)	-
Total Operating Activity Revenue and Other Support	**(4,654,000)**	**11,338,704**	**(474,068)**	**10,864,636**	**11,457,043**	**474,461**	**11,931,504**
Operating Expenses							
Program services	(4,654,000)	9,980,859	-	9,980,859	9,887,983	-	9,887,983
Management and general	-	535,224	-	535,224	523,578	-	523,578
Fundraising	-	387,214	-	387,214	369,870	-	369,870
Total Operating Expenses	**(4,654,000)**	**10,903,297**	**-**	**10,903,297**	**10,781,431**	**-**	**10,781,431**
Changes in Net Assets from Operations	**-**	**435,407**	**(474,068)**	**(38,661)**	**675,612**	**474,461**	**1,150,073**
Other changes							
Income from subsidiaries	(908,736)	-	-	-	-	-	-
Foreign currency transaction gains (losses)	-	3,570,048	-	3,570,048	(3,165,932)	-	(3,165,932)
Endowment net investment income	-	-	84,101	84,101	-	9,094	9,094
Impairment on investments in securities	-	-	-	-	(89,293)	-	(89,293)
Unrealized gain (loss) on investments	-	463,227	-	463,227	35,691	-	35,691
Realized gain (loss) on investments	-	289,990	-	289,990	-	-	-
Change in fair value of derivative instruments	-	(4,005,766)	-	(4,005,766)	3,448,904	-	3,448,904
Changes in Net Assets	**(908,736)**	**752,906**	**(389,967)**	**362,939**	**904,982**	**483,555**	**1,388,537**
Net Assets	**$ (26,329,036)**	**$ 17,223,460**	**$ 1,292,985**	**$ 18,516,445**	**$ 16,470,554**	**$ 1,682,952**	**$ 18,153,506**

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