GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Report of Independent Auditors
and Consolidated Financial Statements
with Supplemental Information

For the Years Ended June 30, 2022 and 2021

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MOSSADAMS

Report of Independent Auditors

The Board of Directors
Global Partnerships and Subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Global Partnerships and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional operating expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Global Partnerships and Subsidiaries as of June 30, 2022 and 2021, and the results of their changes in net assets and their 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Global Partnerships and its Subsidiaries 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Global Partnerships and its subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Partnerships and its subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with the Board of Directors, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Global Partnerships' consolidated financial statements. 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 audit 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 23, 2022

CONSOLIDATED FINANCIAL STATEMENTS

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 12,922,769	$ 24,202,672
Contributions receivable, net	868,053	847,924
Social-related loans and investments		
Social investment loans receivable, net	152,435,569	112,330,987
Social investments in securities, at cost, net of impairment	11,384,552	10,005,010
Social investments in funds, at fair value	216,395	273,064
Derivative instruments	1,951,131	1,168,474
Interest receivable	1,126,744	765,748
Other assets	1,681,444	1,295,415
Property and equipment, net	72,648	80,534
Total Assets	**$ 182,659,305**	**$ 150,969,828**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 103,828	$ 337,872
Accrued liabilities	1,222,614	1,374,867
Derivative instruments	1,249,120	1,658,257
Interest payable	5,987,462	2,977,376
Debt	154,180,552	126,105,011
Total Liabilities	**162,743,576**	**132,453,383**
Net Assets		
Net Assets without donor restrictions	18,731,284	17,223,460
Net Assets with donor restrictions	1,184,445	1,292,985
Total Net Assets	**19,915,729**	**18,516,445**
Total Liabilities and Net Assets	**$ 182,659,305**	**$ 150,969,828**

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities
For the Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activity Revenue and Other Support						
Contributions	$ 5,229,171	$ 452,050	$ 5,681,221	$ 2,437,936	$ 119,246	$ 2,557,182
In-kind contributions	9,000	-	9,000	20,464	-	20,464
Interest and fee income	9,464,630	-	9,464,630	8,286,990	-	8,286,990
Net assets released from restrictions	522,221	(522,221)	-	593,314	(593,314)	-
Total Operating Activity Revenue and Other Support	**15,225,022**	**(70,171)**	**15,154,851**	**11,338,704**	**(474,068)**	**10,864,636**
Operating Expenses						
Program services	12,209,320	-	12,209,320	9,980,859	-	9,980,859
Management and general	589,846	-	589,846	535,224	-	535,224
Fundraising	365,922	-	365,922	387,214	-	387,214
Total Operating Expenses	**13,165,088**	**-**	**13,165,088**	**10,903,297**	**-**	**10,903,297**
Changes in Net Assets from Operations	**2,059,934**	**(70,171)**	**1,989,763**	**435,407**	**(474,068)**	**(38,661)**
Other Changes						
Foreign currency transaction gains (losses)	(1,390,243)	-	(1,390,243)	3,570,048	-	3,570,048
Endowment net investment income (loss)	-	(38,369)	(38,369)	-	84,101	84,101
Unrealized gain on investments	-	-	-	463,227	-	463,227
Realized gain on investments	-	-	-	289,990	-	289,990
Realized loss on derivative instruments	(353,661)	-	(353,661)	-	-	-
Change in fair value of derivative instruments	1,191,794	-	1,191,794	(4,005,766)	-	(4,005,766)
Changes in Net Assets	**1,507,824**	**(108,540)**	**1,399,284**	**752,906**	**(389,967)**	**362,939**
Net Assets	**$ 18,731,284**	**$ 1,184,445**	**$ 19,915,729**	**$ 17,223,460**	**$ 1,292,985**	**$ 18,516,445**

See accompanying notes.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Functional Operating Expenses
For the Years Ended June 30, 2022 and 2021

	2022				*2021*			
	Program Services	*Management and General*	*Fundraising*	*Consolidated Total*	*Program Services*	*Management and General*	*Fundraising*	*Consolidated Total*
Wages and salaries	$ 3,071,021	$ 343,198	$ 252,020	$ 3,666,239	$ 3,036,371	$ 308,671	$ 260,465	$ 3,605,507
Employee benefits	542,111	73,892	57,441	673,444	526,298	71,975	61,727	660,000
Payroll taxes	239,807	21,935	17,294	279,036	218,622	20,749	17,815	257,186
Total Salaries & Related Expenses	**3,852,939**	**439,025**	**326,755**	**4,618,719**	**3,781,291**	**401,395**	**340,007**	**4,522,693**
Interest expense	5,876,606	-	-	5,876,606	3,491,045	-	-	3,491,045
Provision for loan loss reserve	1,396,793	-	-	1,396,793	1,811,647	-	-	1,811,647
Legal & accounting fees	150,318	38,271	627	189,216	138,844	37,154	-	175,998
Occupancy	150,109	17,359	15,346	182,814	194,600	24,631	26,520	245,751
Consulting & professional fees	157,570	6,978	630	165,178	66,120	5,080	-	71,200
Loan fees	148,556	-	-	148,556	57,500	-	-	57,500
Software	91,643	19,539	6,611	117,793	70,728	8,184	5,669	84,581
Travel	107,642	1,269	381	109,292	34,905	931	578	36,414
Contract labor	61,324	11,521	5,348	78,193	52,260	10,559	3,847	66,666
Insurance	34,246	34,928	349	69,523	33,388	31,039	470	64,897
Business taxes	55,942	111	4	56,057	102,747	451	100	103,298
Bank charges	26,606	10,217	1,681	38,504	25,691	10,068	2,364	38,123
Miscellaneous	32,950	1,559	1,489	35,998	70,304	824	1,714	72,842
Office equipment, supplies, and other costs	28,585	3,447	2,909	34,941	16,890	1,833	1,734	20,457
Depreciation & amortization	20,008	4,212	625	24,845	17,131	1,292	1,358	19,781
Telephone	13,748	1,410	1,325	16,483	14,286	1,783	1,949	18,018
Promotion & development	3,735	-	1,842	5,577	1,482	-	904	2,386
Total Operating Expenses	**$ 12,209,320**	**$ 589,846**	**$ 365,922**	**$ 13,165,088**	**$ 9,980,859**	**$ 535,224**	**$ 387,214**	**$ 10,903,297**

See accompanying notes.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets	$ 1,399,284	$ 362,939
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	24,845	19,781
Provision for loan loss reserve	1,396,793	1,811,647
Change in fair value of derivative instruments	(1,191,794)	4,005,766
Unrealized (gain) on investments in securities	-	(463,227)
Realized (gain) on investments in securities	-	(289,990)
Realized loss on derivative instruments	353,661	-
Foreign currency transaction (gains) losses	1,390,243	(3,570,048)
Endowment net investment (income) loss	38,369	(84,101)
Changes in assets and liabilities:		
Contributions receivable, net	(20,129)	383,766
Interest receivable	(360,996)	209
Other assets	(386,029)	350,710
Accounts payable	(234,044)	264,673
Deferred rent liability	-	(15,068)
Accrued liabilities	(152,253)	373,596
Interest payable	3,010,086	770,635
Net Cash Provided by Operating Activities	**5,268,036**	**3,921,288**
Cash Flows From Investing Activities:		
Issuance of social investment loans	(95,920,210)	(42,356,076)
Principal repayments on social investment loans	53,028,567	46,875,787
Purchase of social investments in securities	(4,826,832)	(3,888,724)
Proceeds from investment maturities	3,465,590	6,231,541
Net payment for derivative instruments	(353,661)	-
Purchase of property and equipment	(16,959)	(50,427)
Net Cash Provided by/(Used in) Investing Activities	**(44,623,505)**	**6,812,101**
Cash Flows From Financing Activities:		
Issuance of long-term debt	39,353,097	5,117,083
Principal repayments on long-term debt	(11,277,556)	(9,201,919)
Net Cash Provided by/(Used in) Financing Activities	**28,075,541**	**(4,084,836)**
Effect of exchange rate changes in cash	25	5,282
Net Change in Cash & Cash Equivalents	(11,279,903)	6,653,835
Cash & Cash Equivalents Balance, Beginning of Year	24,202,672	17,548,837
Cash & Cash Equivalents Balance, End of Year	**$ 12,922,769**	**$ 24,202,672**
Supplementary Information:		
Cash paid during the year for interest	$ 2,749,918	$ 2,717,416

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, 2022, GP Funds had more than $160 million invested in 92 microfinance institutions (MFIs), social businesses, and cooperatives in 28 countries in Latin America, the Caribbean, and Sub-Saharan Africa. 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. 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, 2022, GP has outstanding contributed capital of $6,250,000, $11,250,000, $1,000,000, $5,000,000, and $8,000,000 to SIF5.0, SIF6.0, SVF, IFDF, and IFGF, respectively. As of June 30, 2021, 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. GP Colombia transactions are accounted for on GPs statement of financial position and statement of activities.

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.

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.

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

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%-2.99% and from 0.00%-0.46%, at June 30, 2022 and 2021, 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, which is netted with the contributions receivable balance at June 30, 2022 and 2021.

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, 2022 and 2021 were $9,000 and $20,464, respectively, and consist of legal services rendered to the Organization.

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.

Interest Expense – For lenders to the Funds, interest expense is accrued and recognized over the life of the note, except for the notes where the interest payment is subordinate to and contingent on payment in full to the GP equity holder. For lenders to the Funds with subordinate interest and lenders to GP, interest is contingent upon several factors, including the performance of an applicable Fund. The Organization recognizes the expense once it is probable that the interest has been incurred at the date of consolidated financial statements and the amount can be reasonably estimated. See Note 9.

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.

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

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 Loss are written off.

Allowance for Loan Losses – The allowance is an amount that management believes will be adequate to absorb possible losses on 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, the potential value of any collateral held by the lender, and the risk of the institution and country. As part of the loan loss analysis, management assesses critical areas of risk, including but not limited to 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.

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.

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

Impaired Loans – Impairment is considered to exist when it is probable that not all amounts due will be collected 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 applicable Fund 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 of the loan, the applicable Fund 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 applicable Fund 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.

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 records its social related investment in funds at fair value. Fair value for the Organization's social investments in funds is based on quoted prices in active markets as of a given measurement date.

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 $1,681,444 and $1,295,415 at June 30, 2022 and 2021, respectively. Other assets consist of collateral with the Organization's hedging counterparty, MFX Solutions, LLC, which totaled $1,162,836 and $1,012,836 at June 30, 2022 and 2021, respectively.

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

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 losses of ($1,390,243) and gains of $3,570,048 were recognized for the years ended June 30, 2022 and 2021, respectively.

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.

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 Non-operating 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.

Comparative Amounts for 2021 – Certain prior year balances were reclassified for comparative purposes. There is no impact to consolidated net assets.

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 four donors which represent approximately 56 percent of total contributions receivable at June 30, 2022 and three donors which represented approximately 44 percent of total contributions receivable at June 30, 2021. The Organization had in-kind contributions from one law firm representing 100 percent of total in-kind contributions during the year ended June 30, 2022 and one law firm representing 73 percent of total in-kind contributions during the year ended June 30, 2021. The Organization had notes payable to one lender representing 44 and 33 percent of outstanding debt at June 30, 2022 and 2021, respectively.

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

Upcoming Accounting Pronouncements

ASU 2016-13 – **Financial Instruments** – **Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments** – The pronouncement which creates a new credit impairment standard for financial assets measured at amortized cost and available for sale debt securities. The Accounting Standards Update (ASU) requires financial assets measured at amortized cost (including loans, trade receivables, and held-to maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the life of the asset, rather than incurred losses.

Subsequently, the Financial Accounting Standards Board (FASB) has issued Codification Improvements to Topic 326, Financial Instruments-Credit Losses, making the ASU effective for fiscal years beginning after December 15, 2022. The Organization does not intend to early adopt. Management is currently evaluating the impact of adopting this guidance on its consolidated financial statements.

ASU 2016-02 – **Leases (Topic 842)** – The pronouncement provides principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. The standard is effective for fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of adopting this guidance on its consolidated financial statements.

Subsequent Events – The Organization's management has evaluated subsequent events and transactions for potential recognition or disclosure through September 23, 2022, 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:

	2022	2021
Financial Assets		
Cash and cash equivalents	$ 12,922,769	$ 24,202,672
Contributions receivable, net	868,053	847,924
Social-related loans and investments	164,036,516	122,609,061
Interest receivable	1,126,744	765,748
Total Financial Assets	**178,954,082**	**148,425,405**
Less amounts not available to be used within one year due to:		
Contributions receivable, net	405,783	511,424
Board-designated operating reserves	1,565,000	1,514,000
Social-related loans and investments	76,788,413	67,086,561
Total amounts not available to be used within one year	**78,759,196**	**69,111,985**
Financial Assets available to meet general expenditures over the next twelve months	**$ 100,194,886**	**$ 79,313,420**

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 $1,565,000 and $1,514,000 at June 30, 2022 and 2021, 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 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 Social Investment 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:

	2022	2021
Contributions due in less than one year	$ 472,270	$ 346,500
Contributions due in one to five years	417,227	512,229
Gross Contributions Receivable	889,497	858,729
Less allowance for uncollectable pledges	(10,000)	(10,000)
Less unamortized discount to present value	(11,444)	(805)
Total Contributions Receivable	**$ 868,053**	**$ 847,924**

Note 4 – Social Investment Loans Receivable

Through its Funds, 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 living in poverty. However, too often these organizations lack the access to affordable capital to reach those who could truly benefit. The Organization's Funds provide loans to partners to help sustain and grow already proven solutions to poverty. These Social Investment Loans mature at various times over the life of the Funds and are disbursed and repaid by the partner organizations 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:

2023	$ 84,877,048
2024	20,512,809
2025	20,225,067
2026	22,839,653
2027	4,565,699
Thereafter	2,125,000
	155,145,276
Less allowance for loan losses	(2,709,707)
Total Social Investment Loans Receivable	**$ 152,435,569**

Loans are subject to loan agreements with covenants regarding the financial performance of the borrower and other market standard financing terms and conditions. Borrowers must maintain minimum levels of financial performance benchmarks during the life of the loan to ensure there is no breach of the covenants in the loan agreement.

Note 4 – Social Investment Loans Receivable (Continued)

For certain extensions of credit, the Funds may require collateral based on an assessment of a borrower's credit risk. Collateral requirements for each borrower may vary according to the specific credit underwriting, nature of financing, and structure of loans. 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:

	2022	2021
Allowance for Loan Losses, Beginning Balance	$ 3,598,801	$ 3,325,000
Direct loan write-downs	(2,304,294)	(1,622,430)
Recoveries of amounts previously charged off	18,407	84,584
Provision for loan loss reserve	1,396,793	1,811,647
Allowance for Loan Losses, Ending Balance	**$ 2,709,707**	**$ 3,598,801**

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

	2022	2021
Microfinance	$ 2,051,485	$ 2,933,466
Agriculture	273,099	85,458
Other Social Enterprises	385,123	579,877
Total Allowance for Loan Losses	**$ 2,709,707**	**$ 3,598,801**

The Funds provide some of their 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 losses of ($1,390,268) and gains of $3,564,766 were recognized for the years ended June 30, 2022 and 2021, respectively, and are included in the non-operating 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, geographic, or other conditions.

Note 4 – Social Investment Loans Receivable (Continued)

Sector concentrations allocation was as follows at June 30:

	2022	2021
Microfinance	86%	87%
Agriculture	10%	5%
Other Social Enterprises	4%	8%
Total	**100%**	**100%**

Regional concentrations allocation was as follows at June 30:

	2022	2021
Latin America	77%	76%
Sub-Saharan Africa	23%	18%
Global	0%	6%
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 asset of little or no value even though partial recovery may be effected 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, 2022 and 2021:

2022

Grade:	Total	Microfinance	Agriculture	Other Social Enterprises
Acceptable	$ 153,870,108	$ 134,039,187	$ 14,822,700	$ 5,008,221
Special mention	-	-	-	-
Substandard	1,087,668	-	185,084	902,584
Doubtful	187,500	-	-	187,500
Loss	-	-	-	-
	$ 155,145,276	**$ 134,039,187**	**$ 15,007,784**	**$ 6,098,305**

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**

Impaired Loans of the portfolio were approximately $1,275,000 and $6,753,000, at the years ended June 30, 2022 and 2021, respectively. The total allowance for loan losses recorded on impaired loans were $340,000 and $1,518,000 at the years ended June 30, 2022 and 2021, respectively.

The following table shows an aging analysis of the loan portfolio at June 30, 2022 and 2021:

	2022	2021
Current	$ 154,055,192	$ 112,534,630
30-89 days past due	-	-
90 days paste due and still accruing	-	-
Nonaccrual	1,090,084	3,395,158
Total	**$ 155,145,276**	**$ 115,929,788**

Note 4 – Social Investment Loans Receivable (Continued)

Loan Modifications

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

During the year ended June 30, 2022, there were no loan modifications. 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. 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.

During the years ended June 30, 2022 and 2021, there were zero and two loans, respectively, modified that met the criteria of a 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, 2022 and 2021:

	2022	2021
Number of Loans	1	4
Pre and Post Modification Amount	$ 1,269,748	$ 3,357,525

Management does not anticipate any negative effects in cash flows from the TDRs that occurred as of June 30, 2022 and 2021. 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 a change in fair value of derivative instruments of $1,191,794 and ($4,005,766) and realized loss of ($353,661) and $0 for the years ended June 30, 2022 and 2021, respectively. The change in fair value of derivative instruments and realized gain (loss) on derivative instruments is included in the non-operating section of the consolidated statements of activities. The balance of the derivative instruments at June 30, 2022 and 2021 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.

<u>Social Investments in Securities</u> – 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. 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, 2022 and 2021, the Organization had securities in 15 and 13 business enterprises, respectively.

For the years ended June 30, 2022 and 2021, management performed an impairment analysis and recognized a $0 loss. For years ended June 30, 2022 and 2021, the Organization performed an analysis of observable price changes that could result in a fair value change, and recognized an unrealized gain of $0 and $470,131, respectively. As of June 30, 2022 and 2021, two investments are held below cost, with a total impairment of $112,560 at June 30, 2022 and 2021.

Note 6 – Social Investments (Continued)

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

	2022	2021
Seed and early-stage investments	$ 4,528,840	$ 3,956,340
Certificates of deposit	5,249,612	4,036,550
Community investment notes	1,606,100	2,012,120
Total Social Investments in Securities	**$ 11,384,552**	**$ 10,005,010**

Social Investments in Funds – 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:

	2022	2021
Mutual fund	$ 216,395	$ 273,064
Total Social Investments in Funds	**$ 216,395**	**$ 273,064**

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.

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

	2022			
	Total	Level 1	Level 2	Level 3
Mutual fund	**$ 216,395**	$ 216,395	$ -	$ -
Derivative financial instruments, net	**702,011**	-	-	702,011
	$ 918,406	**$ 216,395**	**$ -**	**$ 702,011**

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

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

There were no liabilities measured at fair value at June 30, 2022.

	2021			
	Total	Level 1	Level 2	Level 3
Derivative financial instruments, net	**$ 489,783**	$ -	$ -	$ 489,783
	$ 489,783	**$ -**	**$ -**	**$ 489,783**

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, 2022 and 2021. There were no transfers in/out of Level 3 investments during the years ended June 30, 2022 and 2021. 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:

	2022	2021
Furniture, fixtures, equipment and software	$ 380,482	$ 363,523
Leasehold improvements	31,313	31,313
	411,795	394,836
Less accumulated depreciation and amortization	(339,147)	(314,302)
Total Property and Equipment, Net	**$ 72,648**	**$ 80,534**

Depreciation and amortization expense for the years ended June 30, 2022 and 2021, was $24,845 and $19,781, respectively.

Note 9 – Debt

Debt consists of the following at June 30:

	2022	2021
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, 2022 and 2021, the contingent interest liability to be paid at maturity totaled $2,664,997 and $2,264,283 which has been accrued on the consolidated statements of financial position for fiscal years ending June 30, 2022 and 2021, respectively.	$ 5,750,000	$ 5,750,000

Note 9 – Debt (Continued)

	2022	2021
Limited recourse notes issued between December 2015 and April 2022 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, 2022 and 2021, the contingent interest liability to be paid at maturity totaled $2,359,452 and $1,887,236, respectively. The contingent interest liability has been accrued on the consolidated statements of financial position for fiscal year ending June 30, 2022.	$ 10,500,000	$ 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, 2022 and 2021, the contingent interest liability to be paid at maturity totaled $221,096 and $141,096, respectively.	4,000,000	4,000,000
Limited recourse notes issued between August 2021 and October 2021 to provide capital for GP's equity contribution in IFGF. These notes have only limited recourse to the performance of IFGF 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 IFGF that is returned to GP for its equity in the Fund. The notes mature in July 2031. As of June 30, 2022 and 2021, the contingent interest liability to be paid at maturity totaled $87,630 and $0, respectively.	5,500,000	-
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. The Maturity date is July 2026.	359,786	279,786

Note 9 – Debt (Continued)

	2022	2021
Global Partnerships/Eleos Social Venture Fund Unsecured notes in SVF issued between July 2016 and June 2022 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, 2022 and 2021, the contingent interest liability to be paid at maturity totaled $246,412 and $178,973 respectively.	$ 2,573,114	$ 2,025,225
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 1.75% to 4% per annum. The notes mature in March 2023.	34,650,000	39,100,000
Global Partnerships Social Investment Fund 6.0 Unsecured notes in SIF 6.0 issued between March 2016 and May 2022 with interest payable quarterly at rates ranging from 1% to 4% per annum and maturity dates between September 2022 and September 2025.	58,622,652	52,050,000
Global Partnerships Impact-First Development Fund Unsecured notes in IFDF issued between October 2019 and June 2022 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, 2022 and 2021, the contingent interest liability to be paid at maturity totaled $787,494 and $434,205 which has been accrued on the consolidated statements of activities for fiscal years ending June 30, 2022 and 2021, respectively.	22,750,000	13,750,000
Global Partnerships Impact-First Growth Fund Unsecured notes in IFGF issued between November 2021 and May 2022 with interest payable quarterly at a rate of 2% per annum. The notes mature in July 2031.	9,475,000	-
Total Debt	**$ 154,180,552**	**$ 126,105,011**

Note 9 – Debt (Continued)

Debt maturities consist of the following at June 30:

2023	$ 43,450,000
2024	3,750,000
2025	-
2026	62,322,652
2027	2,932,900
Thereafter	41,725,000
	$ 154,180,552

Lenders to the Funds purchased unsecured notes and provided loans to the Funds for the purpose of providing the resources for making secured and unsecured Social Investment Loans and Social Investments in Securities 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:

	2022	2021
Contributions receivable - time restriction	$ 590,550	$ 791,921
Program-related Grants - purpose & time restriction	377,500	228,000
Endowment - perpetuity	216,395	273,064
Total Assets with Donor Restrictions	**$ 1,184,445**	**$ 1,292,985**

During the year ended June 30, 2022, releases from restrictions totaled $178,000 for program, $18,300 for permanent endowment, and $325,921 due to the collection of pledges. 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.

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 years ended June 30, 2022 and 2021, the Organization appropriated $18,300 and $15,216 of the endowment fund for operating expenses, respectively.

Note 10 – Net Assets (Continued)

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

	2022	2021
Endowment Fund, Beginning Balance	$ 273,064	$ 204,179
Investment return	(38,369)	84,101
Amounts appropriated for expenditure	(18,300)	(15,216)
Endowment Fund, Ending Balance	**$ 216,395**	**$ 273,064**

As of June 30, 2022 and 2021, net assets without donor restrictions consist of the board designated reserves of three months of operating expenses of approximately $1,565,000 and $1,514,000, respectively.

Note 11 – Commitments

Operating Leases – GP leases office space in Bogotá, Colombia under a noncancelable operating lease agreement that expires in August 2022. The monthly payments are $1,398. GP also leases office space in Nairobi, Kenya under a noncancelable operating lease agreement that expires in December 2022. The monthly payments are $3,622. GP leases office equipment under a noncancelable operating lease that expires in June 2027. The equipment lease calls for monthly payments of $238.

GP entered a noncancelable operating lease agreement for office space in Seattle, WA that commences in August 2022 and expires in May 2031. The monthly payments range between $21,833 and $25,992. GP entered a noncancelable operating lease agreement for office space in Bogotá, Colombia that commences in September 2022 and expires in August 2023. The monthly payments are $2,536.

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

2023	$ 161,908
2024	276,162
2025	277,328
2026	283,566
2027	289,804
Thereafter	1,184,180
Total Payments	**$ 2,472,948**

Rent expense for operating leases totaled $185,626 and $249,657 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, GP's contributions to the Plan were $215,584 and $211,718, 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 $3,737,000 and $5,551,000 for the years ended June 30, 2022 and 2021, respectively. Contributions to the Organization from board members and other related parties were approximately $3,180,000 and $1,968,000 for the years ended June 30, 2022 and 2021, respectively.

SUPPLEMENTAL INFORMATION

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Financial Position with Consolidating Information
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	Global Partnerships	GP Fund Management, LLC	Global Partnerships Social Investment Fund 5.0, LLC	Global Partnerships Social Investment Fund 6.0, LLC	Global Partnerships Impact First Development Fund, LLC	Global Partnerships Impact First Growth Fund, LLC	Global Partnerships Eleos Social Venture Fund, LLC	Eliminations	**2022**	**2021**
Assets										
Cash and cash equivalents	$ 6,000,461	$ 789	$ 1,756,199	$ 1,717,100	$ 3,062,103	$ 180,744	$ 205,373	$ -	$ 12,922,769	$ 24,202,672
Contributions receivable, net	868,053	-	-	-	-	-	-	-	868,053	847,924
Social-related loans and investments										
Social investment loans receivable, net	-	-	41,705,700	68,155,224	25,318,295	17,256,350	-	-	152,435,569	112,330,987
Social investments in securities, at cost, net of impairment	7,239,938	-	-	-	-	-	4,144,614	-	11,384,552	10,005,010
Social investments in funds, net, at fair value	216,395	-	-	-	-	-	-	-	216,395	273,064
Derivative instruments	-	-	576,063	1,068,341	287,112	19,615	-	-	1,951,131	1,168,474
Interest receivable	30,336	-	497,724	311,853	59,940	226,891	-	-	1,126,744	765,748
Other assets	181,482	-	400,000	768,717	200,000	164,545	-	(33,300)	1,681,444	1,295,415
Property and equipment, net	72,648	-	-	-	-	-	-	-	72,648	80,534
Investment in subsidiaries	37,491,517	-	-	-	-	-	-	(37,491,517)	-	-
Total Assets	**$ 52,100,830**	**$ 789**	**$ 44,935,686**	**$ 72,021,235**	**$ 28,927,450**	**$ 17,848,145**	**$ 4,349,987**	**$ (37,524,817)**	**$ 182,659,305**	**$ 150,969,828**
Liabilities and Net Assets										
Liabilities										
Accounts payable	$ 95,457	$ -	$ 3,787	$ 14,710	$ 16,988	$ 6,186	$ -	$ (33,300)	$ 103,828	$ 337,872
Accrued liabilities	955,409	-	7,958	144,874	50,157	64,216	-	-	1,222,614	1,374,867
Derivative instruments	-	-	572,482	368,442	136,434	171,762	-	-	1,249,120	1,658,257
Interest payable	5,024,449	-	142,244	-	787,494	33,275	-	-	5,987,462	2,977,376
Debt	26,109,786	-	34,650,000	58,622,652	22,750,000	9,475,000	2,932,900	(359,786)	154,180,552	126,105,011
Total Liabilities	**32,185,101**	**-**	**35,376,471**	**59,150,678**	**23,741,073**	**9,750,439**	**2,932,900**	**(393,086)**	**162,743,576**	**132,453,383**
Net Assets										
Net Assets & members equity	-	100	6,250,000	11,250,000	5,000,000	8,000,000	1,000,000	(31,500,100)	-	-
Accumulated earnings (deficit)	-	689	3,309,215	1,620,557	186,377	97,706	417,087	(5,631,631)	-	-
Net Assets without donor restrictions	18,731,284	-	-	-	-	-	-	-	18,731,284	17,223,460
Net Assets with donor restrictions	1,184,445	-	-	-	-	-	-	-	1,184,445	1,292,985
Total Net Assets	**19,915,729**	**789**	**9,559,215**	**12,870,557**	**5,186,377**	**8,097,706**	**1,417,087**	**(37,131,731)**	**19,915,729**	**18,516,445**
Total Liabilities and Net Assets	**$ 52,100,830**	**$ 789**	**$ 44,935,686**	**$ 72,021,235**	**$ 28,927,450**	**$ 17,848,145**	**$ 4,349,987**	**$ (37,524,817)**	**$ 182,659,305**	**$ 150,969,828**

See independent auditor’s report.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities with Consolidating Information
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	Global Partnerships Without Donor Restrictions	Global Partnerships With Donor Restrictions	GP Fund Management, LLC	Global Partnerships Social Investment Fund 5.0, LLC	Global Partnerships Social Investment Fund 6.0, LLC	Global Partnerships Impact First Development Fund, LLC	Global Partnerships Impact First Growth Fund, LLC	Global Partnerships Eleos Social Venture Fund LLC	Eliminations
Operating Activity Revenue and Other Support									
Contributions	$ 5,229,171	$ 452,050	$ -	$ -	$ -	$ -	$ -	$ -	$ -
In-kind contributions	9,000	-	-	-	-	-	-	-	-
Interest and fee income	2,610,498	-	2,559,649	3,139,302	4,174,634	1,280,648	819,167	30	(5,119,298)
Net assets released from restrictions	522,221	(522,221)							
Total Operating Activity Revenue and Other Support	**8,370,890**	**(70,171)**	**2,559,649**	**3,139,302**	**4,174,634**	**1,280,648**	**819,167**	**30**	**(5,119,298)**
Operating Expenses									
Program services	7,360,018		2,559,649	2,919,419	2,924,890	904,835	659,082	725	(5,119,298)
Management and general	589,846		-	-	-	-	-	-	-
Fundraising	365,922		-	-	-	-	-	-	-
Total Operating Expenses	**8,315,786**	**-**	**2,559,649**	**2,919,419**	**2,924,890**	**904,835**	**659,082**	**725**	**(5,119,298)**
Changes in Net Assets from Operations	**55,104**	**(70,171)**	**-**	**219,883**	**1,249,744**	**375,813**	**160,085**	**(695)**	**-**
Other Changes									
Income from subsidiaries	1,452,695	-	-	-	-	-	-	-	(1,452,695)
Foreign currency transaction gains (losses)	25	-	-	(611,109)	(536,544)	(345,116)	102,501	-	-
Endowment net investment income (loss)	-	(38,369)	-	-	-	-	-	-	-
Unrealized gain on investments	-	-	-	-	-	-	-	-	-
Realized gain on investments	-	-	-	-	-	-	-	-	-
Realized loss on derivative instruments	-	-	-	(353,661)	-	-	-	-	-
Change in fair value of derivative instruments	-	-	-	717,532	411,162	215,247	(152,147)	-	-
Changes in Net Assets	**1,507,824**	**(108,540)**	**-**	**(27,355)**	**1,124,362**	**245,944**	**110,439**	**(695)**	**(1,452,695)**
Net Assets	**$ 18,731,284**	**$ 1,184,445**	**$ 789**	**$ 9,559,215**	**$ 12,870,557**	**$ 5,186,377**	**$ 8,097,706**	**$ 1,417,087**	**$ (37,131,731)**

See independent auditor's report.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities with Consolidating Information (Continued)
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activity Revenue and Other Support						
Contributions	$ 5,229,171	$ 452,050	$ 5,681,221	$ 2,437,936	$ 119,246	$ 2,557,182
In-kind contributions	9,000	-	9,000	20,464	-	20,464
Interest and fee income	9,464,630	-	9,464,630	8,286,990	-	8,286,990
Net assets released from restrictions	522,221	(522,221)	-	593,314	(593,314)	-
Total Operating Activity Revenue and Other Support	**15,225,022**	**(70,171)**	**15,154,851**	**11,338,704**	**(474,068)**	**10,864,636**
Operating Expenses						
Program services	12,209,320	-	12,209,320	9,980,859	-	9,980,859
Management and general	589,846	-	589,846	535,224	-	535,224
Fundraising	365,922	-	365,922	387,214	-	387,214
Total Operating Expenses	**13,165,088**	**-**	**13,165,088**	**10,903,297**	**-**	**10,903,297**
Changes in Net Assets from Operations	**2,059,934**	**(70,171)**	**1,989,763**	**435,407**	**(474,068)**	**(38,661)**
Other Changes						
Income from subsidiaries	-	-		-	-	
Foreign currency transaction gains (losses)	(1,390,243)	-	(1,390,243)	3,570,048	-	3,570,048
Endowment net investment income (loss)	-	(38,369)	(38,369)	-	84,101	84,101
Unrealized gain on investments	-	-	-	463,227	-	463,227
Realized gain on investments	-	-	-	289,990	-	289,990
Realized loss on derivative instruments	(353,661)	-	(353,661)	-	-	-
Change in fair value of derivative instruments	1,191,794	-	1,191,794	(4,005,766)	-	(4,005,766)
Changes in Net Assets	**1,507,824**	**(108,540)**	**1,399,284**	**752,906**	**(389,967)**	**362,939**
Net Assets	**$ 18,731,284**	**$ 1,184,445**	**$ 19,915,729**	**$ 17,223,460**	**$ 1,292,985**	**$ 18,516,445**

See independent auditor's report.