GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Report of Independent Auditors
and Consolidated Financial Statements
with Supplemental Information

For the Years Ended June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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 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 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 is presented for purposes of additional analysis and is 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 19, 2024

CONSOLIDATED FINANCIAL STATEMENTS

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 39,682,151	$ 18,065,196
Contributions receivable, net	330,337	472,860
Impact-related loans and investments		
Impact investment loans receivable, net	164,103,390	167,410,261
Impact investments in securities, at cost, net of impairment	14,691,494	13,289,658
Impact investments in funds, at fair value	289,167	243,198
Derivative instruments	1,928,974	860,202
Interest receivable	1,204,314	1,085,861
Other assets	2,084,394	1,523,305
Property and equipment, net	188,413	204,213
Lease right-of-use asset	1,819,023	1,930,122
Total Assets	**$ 226,321,657**	**$ 205,084,876**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 167,266	$ 87,693
Lease liability	1,963,183	2,070,399
Accrued liabilities	1,138,623	1,103,920
Derivative instruments	1,798,103	4,549,907
Interest payable	6,007,730	4,457,813
Debt	186,808,701	171,383,701
Total Liabilities	**197,883,606**	**183,653,433**
Net Assets		
Net Assets without donor restrictions	26,659,926	20,596,187
Net Assets with donor restrictions	1,778,125	835,256
Total Net Assets	**28,438,051**	**21,431,443**
Total Liabilities and Net Assets	**$ 226,321,657**	**$ 205,084,876**

See accompanying notes.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activity Revenue and Other Support						
Contributions	$ 1,305,638	$ 1,268,999	$ 2,574,637	$ 4,163,119	$ 114,665	$ 4,277,784
In-kind contributions	10,244	-	10,244	28,778	-	28,778
Interest and fee income	13,336,766	20,762	13,357,528	12,302,124	-	12,302,124
Net assets released from restrictions	408,585	(408,585)	-	506,168	(506,168)	-
Total Operating Activity Revenue and Other Support	**15,061,233**	**881,176**	**15,942,409**	**17,000,189**	**(391,503)**	**16,608,686**
Operating Expenses						
Program services	9,700,243	-	9,700,243	10,056,202	-	10,056,202
Management and general	749,697	-	749,697	628,552	-	628,552
Fundraising	304,358	-	304,358	310,517	-	310,517
Total Operating Expenses	**10,754,298**	**-**	**10,754,298**	**10,995,271**	**-**	**10,995,271**
Changes in Net Assets from Operations	**4,306,935**	**881,176**	**5,188,111**	**6,004,918**	**(391,503)**	**5,613,415**
Other Changes						
Foreign currency transaction (losses) gains	(2,807,786)	-	(2,807,786)	3,279,927	-	3,279,927
Endowment net investment income	-	61,693	61,693	-	42,314	42,314
Impairment on investments in securities	(554,090)	-	(554,090)	(2,119,225)	-	(2,119,225)
Unrealized gain (loss) on investments	1,342,105	-	1,342,105	(226,653)	-	(226,653)
Realized (loss) on investments	(44,001)	-	(44,001)	(532,013)	-	(532,013)
Realized (loss) on derivative instruments	-	-	-	(150,335)	-	(150,335)
Change in fair value of derivative instruments	3,820,576	-	3,820,576	(4,391,716)	-	(4,391,716)
Changes in Net Assets	**6,063,739**	**942,869**	**7,006,608**	**1,864,903**	**(349,189)**	**1,515,714**
Net Assets	**$ 26,659,926**	**$ 1,778,125**	**$ 28,438,051**	**$ 20,596,187**	**$ 835,256**	**$ 21,431,443**

See accompanying notes.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Functional Expenses
For the Years Ended June 30, 2024 and 2023

	2024				2023			
	Program Services	*Management and General*	*Fundraising*	*Consolidated Total*	*Program Services*	*Management and General*	*Fundraising*	*Consolidated Total*
Wages and salaries	$ 3,388,537	$ 412,501	$ 207,306	$ 4,008,344	$ 3,156,580	$ 355,164	$ 207,355	$ 3,719,099
Employee benefits	573,419	87,160	44,902	705,481	534,177	77,411	47,013	658,601
Payroll taxes	320,768	27,877	13,528	362,173	261,569	23,727	13,788	299,084
Total Salaries & Related Expenses	**4,282,724**	**527,538**	**265,736**	**5,075,998**	**3,952,326**	**456,302**	**268,156**	**4,676,784**
Interest expense	3,930,035	-	-	3,930,035	4,345,722	-	-	4,345,722
Provision for credit loss reserve	209,365	-	-	209,365	440,276	-	-	440,276
Legal & accounting fees	120,018	63,916	453	184,387	192,569	44,159	336	237,064
Occupancy	283,164	43,672	18,622	345,458	258,889	32,028	20,295	311,212
Consulting & professional fees	175,429	5,196	90	180,715	135,530	-	-	135,530
Loan fees	70,000	-	-	70,000	30,000	-	-	30,000
Software	87,991	23,042	1,980	113,013	93,181	20,611	4,543	118,335
Travel	210,021	10,433	5,100	225,554	226,826	5,112	2,811	234,749
Contract labor	73,522	18,276	3,103	94,901	91,728	19,393	3,921	115,042
Insurance	27,897	39,198	349	67,444	30,862	35,423	349	66,634
Business taxes	93,568	586	704	94,858	102,562	291	414	103,267
Bank charges	9,787	1,400	297	11,484	15,240	1,482	424	17,146
Miscellaneous	45,625	4,379	3,020	53,024	36,793	1,825	1,153	39,771
Office equipment, supplies, and other costs	25,711	3,765	1,510	30,986	48,662	6,080	3,638	58,380
Depreciation & amortization	39,302	6,567	2,367	48,236	38,727	4,643	2,394	45,764
Telephone	12,694	1,494	564	14,752	12,670	1,067	600	14,337
Promotion & development	3,390	235	463	4,088	3,639	136	1,483	5,258
Total Operating Expenses	**$ 9,700,243**	**$ 749,697**	**$ 304,358**	**$ 10,754,298**	**$ 10,056,202**	**$ 628,552**	**$ 310,517**	**$ 10,995,271**

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Change in net assets	$ 7,006,608	$ 1,515,714
Adjustments to reconcile change in net assets to		
net cash provided by operating activities:		
Depreciation and amortization	48,236	45,764
Provision for credit loss reserve	209,365	440,276
Non cash lease expense	315,350	249,442
Foreign currency transaction (gains) losses	2,807,786	(3,279,927)
Endowment net investment (income)	(61,693)	(42,314)
Impairment on investments in securities	554,090	2,119,225
Unrealized loss (gain) on investments in securities	(1,342,105)	226,653
Realized loss on investments in securities	44,001	532,013
Realized loss on derivative instruments	-	150,335
Change in fair value of derivative instruments	(3,820,576)	4,391,716
Contribution of long-term debt	-	(616,249)
Changes in assets and liabilities:		
Contributions receivable, net	142,523	395,193
Interest receivable	(118,453)	40,883
Other assets	(561,089)	158,139
Accounts payable	79,573	(16,135)
Lease liabilities	(311,467)	(109,165)
Accrued liabilities	34,703	(118,694)
Interest payable	1,549,917	(1,529,649)
Net Cash Provided by Operating Activities	**6,576,769**	**4,553,220**
Cash Flows From Investing Activities:		
Issuance of impact investment loans	(41,249,440)	(102,441,928)
Principal repayments on impact investment loans	41,544,192	90,329,049
Purchase of impact investments in securities	(6,959,291)	(10,432,217)
Proceeds from investment maturities	6,317,193	5,664,731
Net payment for derivative instruments	-	(150,335)
Purchase of property and equipment	(32,436)	(177,329)
Net Cash (Used in) Investing Activities	**(379,782)**	**(17,208,029)**
Cash Flows From Financing Activities:		
Issuance of long-term debt	17,125,000	58,894,710
Principal repayments on long-term debt	(1,700,000)	(41,075,312)
Net Cash Provided by Financing Activities	**15,425,000**	**17,819,398**
Effect of exchange rate changes in cash	(5,032)	(22,162)
Net Change in Cash & Cash Equivalents	21,616,955	5,142,427
Cash & Cash Equivalents Balance, Beginning of Year	18,065,196	12,922,769
Cash & Cash Equivalents Balance, End of Year	**$ 39,682,151**	**$ 18,065,196**
Supplementary Information:		
Cash paid during the year for interest	$ 2,377,304	$ 5,875,371
Non Cash transactions		
Right-of-use assets obtained in exchange for lease liability	$ 145,363	$ 2,107,320

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 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, 2024, GP Funds had more than $172,000,000 invested in 92 microfinance institutions (MFIs), social businesses, and cooperatives in 29 countries in Latin America, the Caribbean, and Sub-Saharan Africa. As of June 30, 2023, GP Funds had more than $172,000,000 invested in 88 MFIs, social businesses, and cooperatives in 28 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 11 Funds to serve as investment vehicles to make low-cost secured and unsecured loans (Social Investment and Impact-First 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. Five of these Funds have reached maturity, and all lenders in these funds received timely repayment in full, including Global Partnerships Social Investment Fund 5.0, LLC (SIF 5.0), which matured in March 2023 as scheduled. The current active Funds include:

- Global Partnerships Social Investment Fund 6.0, LLC (SIF 6.0), formed in July 2015
- Global Partnerships/Eleos Social Venture Fund, LLC (SVF), formed in July 2016
- Global Partnerships Impact-First Development Fund, LLC (IFDF), formed in November 2018
- Global Partnerships Impact-First Growth Fund, LLC (IFGF), formed in May 2021
- Global Partnerships Impact-First Fund 9, LLC (IFF9), formed in February 2023
- Global Partnerships Impact-First Fund 10, LLC (IFF10), formed in February 2023

GP is the sole equity holder (member) of each of the Funds.

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 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. GP Colombia is wholly owned by GP. GP Colombia transactions are accounted for on GP's statement of financial position and statement of activities.

During the fiscal year ended June 30, 2024, GP received recoverable grant contributions to make early-stage Impact Investment loans to partner organizations. The pool of assets is designated as the Impact Venture Loan Pool (IVLP).

Principles of Consolidation – The consolidated financial statements include the activities of GP and its subsidiaries, SIF 5.0, SIF 6.0, SVF, IFDF, IFGF, IFF9, IFF10, GP Colombia, and Fund Manager (collectively, the Organization). All inter-company transactions have been eliminated.

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

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

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

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%-5.09% and from 0.00%-5.40% at June 30, 2024 and 2023, 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, 2024 and 2023.

Impact Investment Loan Receivables – Impact 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 credit losses, and foreign currency adjustments. Impact Investment Loans are written off against the allowance for credit losses at the time they are rated and classified as Loss per the Organization internal risk rating system.

Recently Adopted Accounting Standard – On July 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (ACS 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including impact investment loan receivables.

The Organization adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost, primarily loans receivable. Results for reporting periods beginning after July 1, 2023, are presented under ASC 326, while prior amounts continue to be reported in accordance with previously applicable GAAP. The adoption of the accounting pronouncement was immaterial.

Allowance for Credit Losses – The allowance for credit losses (ACL) represents managements' estimate of credit losses over the remaining life of the impact investment loan receivables. The ACL is increased by provisions for credit losses charged against earnings and reduced by write-offs, net of recoveries.

The Organization measures the ACL on a collective (pooled) basis when similar risk characteristics exist. The Organization makes loans to social enterprises that must pass the same impact and financial evaluations, due diligence procedures, and monitoring processes. Based upon lending criteria, asset specific risk characteristics and historical losses by loan, the Organizations loan pool shares common characteristics and is treated as one unit of account, until such point in time that a loan no longer has the same risk characteristics of the pool.

As of July 1, 2023, the allowance for credit losses for the pool of impact investment loans receivable was determined using the Weighted-Average Remaining Maturity (WARM) methodology. This method estimates the expected credit losses over the remaining life of the financial assets by leveraging historical loss data, adjusted for current conditions and reasonable and supportable forecasts of future economic conditions.

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

Key Components of the application of the WARM Methodology:

1. Historical Loss Data: The calculation begins with historical loss data, which serves as the foundation for estimating future credit losses. A historical loss rate was established based upon analysis of the 5 prior years of outstanding loan receivables and write-offs.
2. Weighted-Average Remaining Life: The weighted-average remaining life of the financial assets is determined by calculating the remaining term of the assets based upon the contractual repayment dates, weighted by their respective balances.
3. Application of Loss Rates: The historical loss rate is applied over the weighted-average remaining life of the assets. This provides an estimate of the expected credit losses over the remaining term of the assets based on historical losses.
4. Qualitative Adjustments: The Organization then makes a qualitative adjustment to the calculated reserve to adjust for current conditions and reasonable and supportable forecasts. The Organization maintains an internal risk rating system which considers the current financial position of each partner, the management and governance of each partner, and the country risk, which factors in the economic environment. The weighted average internal risk rating calculated at the period end date is compared to the weighted average internal risk rating during the applicable historical loss data period and an adjustment is made to the allowance for credit losses based upon the difference between historical and current risk ratings.

Loans that are classified as substandard and doubtful have well-defined weaknesses, including increased leverage, unprofitable operations, and ongoing deterioration in asset quality, which indicate a higher probability of default. These loans have been determined to no longer share risk characteristics of the pool of impact investment loan receivables and are separately evaluated for credit losses using a discounted cash flow model.

Loans made in the IVLP do not share similar risk characteristics of the pool of impact investment loan receivables and are separately evaluated for credit losses using a discounted cash flow model.

The Organization writes off interest receivable on loans at the time it is deemed uncollectible and accordingly had not established a credit loss allowance for impact investment loan interest receivable.

Allowance for Loan Losses – For the year ended June 30, 2023, 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 (Accounting Standards Codification (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. As of June 30, 2024 and June 30, 2023 the Organization had impact investment loan receivables with an amortized cost basis of $0 and $0 on nonaccrual status, respectively.

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 – For the year ended June 30, 2023, 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) – For the year ended June 30, 2023, 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.

Impact Investments in Securities – 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.

Impact Investments in Funds – The Organization records its impact-related investment in funds at fair value. Fair value for the Organization's impact investments in funds is based on quoted prices in active markets as of a given measurement date.

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

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.

Interest Receivable – Interest receivable consists of interest amounts due from social enterprises and financial institutions. The Organization elected not to measure the credit loss allowance for accrued interest receivable on loans and writes off accrued interest as a reversal of interest income when the receivable is deemed uncollectable.

Other Assets – Other assets were $2,084,394 and $1,523,305 at June 30, 2024 and 2023, respectively. Other assets consist of collateral with the Organization's hedging counterparty, MFX Solutions, LLC, which totaled $1,912,836 and $1,462,836 at June 30, 2024 and 2023, 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.

Lease Arrangements – In the ordinary course of business, the Organization enters into a variety of lease arrangements, including operating leases. Transactions give rise to leases when the Organization receives substantially all the economic benefits from and has the ability to direct the use of specified property and equipment. The Organization determines if an arrangement is a lease at inception. The operating lease right-of-use (ROU) assets are included within the Organization's assets and the lease liabilities are included in liabilities on the Organization's consolidated statements of financial position. ROU assets represent the Organization's right to use, or control the use of, a specified asset for the lease term. Lease liabilities are the Organization's obligation to make lease payments arising from a lease and are measured on a discounted basis. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term on the commencement date. The operating lease ROU asset includes any lease payments made and initial direct costs incurred and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for minimum lease payments continues to be recognized on a straight-line basis over the lease term.

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, 2024 and 2023 were $10,244 and $28,778, 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.

Interest Expense – For lenders to the Funds, interest expense is accrued and recognized over the life of the note. For notes where the interest payment is subordinate to and contingent on payment to the GP equity holder by the applicable Fund, interest is contingent upon several factors, including the performance of an applicable Fund. The Organization estimates the interest expense each reporting period and recognizes the expense once it is probable that the interest will be realized. See Note 9.

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.

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 ($2,807,786) and gains of $3,279,927 were recognized for the years ended June 30, 2024 and 2023, respectively.

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.

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 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 functional expenses. Expenses directly attributable to the Organization's program activities are charged to program services. Expenses not directly attributable to 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 credit losses, allocation of functional expenses, unrealized gains and (losses) on investments, impairment on investments in securities, and fair value measurement. Actual results could differ from these estimates.

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 represented approximately 61% of total contributions receivable at June 30, 2024 and four donors which represented approximately 79% of total contributions receivable at June 30, 2023. The Organization had notes payable to one lender representing 59% and 62% of outstanding debt at June 30, 2024 and 2023, respectively.

Subsequent Events – Subsequent events are events or transactions that occur after the balance sheet date but before the consolidated financial statements are issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the consolidated statement of financial position date and before the consolidated financial statements are issued. The Organization has evaluated subsequent events through September 19, 2024, which is the date 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:

	2024	2023
Financial Assets		
Cash and cash equivalents	$ 39,682,151	$ 18,065,196
Contributions receivable, net	330,337	472,860
Impact-related loans and investments	179,084,051	180,943,117
Interest receivable	1,204,314	1,085,861
Total Financial Assets	**220,300,853**	**200,567,034**
Less amounts not available to be used within one year due to:		
IVLP-designated cash and cash equivalents	599,316	-
Contributions receivable, net	129,837	178,360
Board-designated operating reserves	1,787,000	1,625,000
Impact-related loans and investments	127,825,794	143,558,656
Total amounts not available to be used within one year	**130,341,947**	**145,362,016**
Financial Assets available to meet general expenditures over the next twelve months	**$ 89,958,906**	**$ 55,205,018**

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 $1,787,000 and $1,625,000 at June 30, 2024 and 2023, 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 impact investment notes, to align with future operating expenses.

The Funds receive periodic interest and principal payments from their impact 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:

	2024	2023
Contributions due in less than one year	$ 210,500	$ 304,500
Contributions due in one to five years	136,195	187,327
Gross Contributions Receivable	346,695	491,827
Less allowance for uncollectable pledges	(10,000)	(10,000)
Less unamortized discount to present value	(6,358)	(8,967)
Total Contributions Receivable	**$ 330,337**	**$ 472,860**

Note 4 – Impact Investment Loans Receivable

Through its Funds, the Organization provides secured and unsecured 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 Impact 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:

2025	$ 43,513,142
2026	81,123,464
2027	35,088,221
2028	7,058,198
2029	375,000
	167,158,025
Less allowance for credit losses	(3,054,635)
Total Impact Investment Loans Receivable	**$ 164,103,390**

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 – Impact 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 credit 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 credit losses was as follows at June 30:

	2024	2023
Allowance for Credit Losses, Beginning Balance	$ 2,935,354	$ 2,709,707
Direct loan write-downs	(90,084)	(214,629)
Recoveries of amounts previously charged off	-	-
Provision for credit loss reserve	209,365	440,276
Allowance for Credit Losses, Ending Balance	**$ 3,054,635**	**$ 2,935,354**

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

	2023
Microfinance	$ 2,407,001
Agriculture	296,508
Other Social Enterprises	231,845
Total Allowance for Loan Losses	**$ 2,935,354**

The Funds provide some of their Impact Investment Loans denominated in the foreign currency of the country where the partner organization is located. Impact 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 ($2,802,754) and gains of $3,302,089 were recognized for the years ended June 30, 2024 and 2023, 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 – Impact Investment Loans Receivable (Continued)

Sector concentrations allocation was as follows at June 30:

	2024	2023
Microfinance	95%	88%
Agriculture	3%	6%
Other Social Enterprises	2%	6%
Total	**100%**	**100%**

Regional concentrations allocation was as follows at June 30:

	2024	2023
Latin America	69%	72%
Sub-Saharan Africa	31%	28%
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 – Impact 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 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, 2024 and 2023:

2024

Grade:	Microfinance	Agriculture	Other Social Enterprises	Total
Acceptable	$ 154,438,955	$ 4,762,193	$ 2,034,531	$ 161,235,679
Special mention	1,557,544	-	1,000,000	2,557,544
Substandard	3,364,798	-	-	3,364,798
Doubtful	-	-	-	-
Loss	-	-	-	-
	$ 159,361,297	**$ 4,762,193**	**$ 3,034,531**	**$ 167,158,021**

2023

Grade:	Microfinance	Agriculture	Other Social Enterprises	Total
Acceptable	$ 146,078,613	$ 10,379,518	$ 10,578,593	$ 167,036,724
Special mention	3,000,000	-	-	3,000,000
Substandard	-	218,807	-	218,807
Doubtful	-	-	90,084	90,084
Loss	-	-	-	-
	$ 149,078,613	**$ 10,598,325**	**$ 10,668,677**	**$ 170,345,615**

Impaired loans of the portfolio were approximately $309,000 at year ended June 30, 2023. The total allowance for loan losses recorded on impaired loans was $177,000 at year ended June 30, 2023.

Four loans were separately evaluated for credit losses at year ended June 30, 2024. The total allowance for credit losses recorded for these loans was $1,527,420 at year ended June 30, 2024.

A loan is considered past due when a principal or interest payment has not been made according to its contractual terms.

Note 4 – Impact Investment Loans Receivable (Continued)

The following table shows an aging analysis of the loan portfolio at June 30, 2024 and 2023:

	2024	2023
Current	$ 167,158,021	$ 170,126,808
30-89 days past due	-	-
90 days past due and still accruing	-	218,807
Non-accrual	-	-
Total	**$ 167,158,021**	**$ 170,345,615**

Loan Modifications

During the year ended June 30, 2024, there were two other-than-insignificant loan modifications as a result of borrower financial distress. The total value of the portion of the loans modified was $1,364,798. The modifications included acceleration of principal payments, reduction in interest rate for one loan, and there were no changes to total principal payments nor were there forbearances of loans.

During the year ended June 30, 2023, there were two loan modifications, both which met the criteria of a TDR. The total value of the portion of the loans modified was $992,668. The modifications included decreasing the interest rate, acceleration of principal payments for one loan, and deferral of principal payments for one loan, and there were no changes to total principal payments nor were there forbearances of loans.

The following table presents loan balances of troubled debt restructurings at June 30, 2023:

	2023
Number of Loans	1
Pre and Post Modification Amount	$ 90,084

Management does not anticipate any negative effects in cash flows from the TDRs that occurred as of June 30, 2023. The effects of TDRs on these social enterprises have been factored into management's assessment of the allowance for loan loss reserve.

Note 5 – Impact 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 impact-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.

Impact 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.

Note 5 – Impact Investments (Continued)

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, 2024 and 2023, the Organization had securities in 14 and 15 business enterprises, respectively.

For the years ended June 30, 2024 and 2023, management performed an impairment analysis and recognized a ($554,090) and ($2,119,225) loss, respectively. For years ended June 30, 2024 and 2023, the Organization performed an analysis of observable price changes that could result in a fair value change, and recognized an unrealized gain of $1,342,105 and unrealized loss of ($226,653) and a realized loss of ($44,001) and realized loss of ($532,013), respectively. As of June 30, 2024 and 2023, nine and six investments are held below cost, with a total impairment of $2,785,876 and $2,231,786, respectively.

The tables below present investments in securities, measured at cost, net of impairment, at June 30:

	2024	2023
Seed and early-stage investments	$ 3,444,960	$ 2,200,947
Certificates of deposit	10,446,534	9,888,711
Community investment notes	800,000	1,200,000
Total Impact Investments in Securities	**$ 14,691,494**	**$ 13,289,658**

Impact 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 impact index mutual fund.

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

	2024	2023
Mutual fund	$ 289,167	$ 243,198
Total Impact Investments in Funds	**$ 289,167**	**$ 243,198**

Note 6 – 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.

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 $3,820,576 and ($4,391,716) and realized loss of $0 and ($150,335) for the years ended June 30, 2024 and 2023, 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, 2024 and 2023 is shown in Note 7.

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:

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.

Note 7 – Fair Value Measurements (Continued)

The tables below present the assets and (liabilities) measured at fair value at June 30:

	2024			
	Level 1	Level 2	Level 3	Total
Mutual fund	$ 289,167	$ -	$ -	**$ 289,167**
Derivative financial instruments, net	-	-	130,871	**130,871**
	$ 289,167	**$ -**	**$ 130,871**	**$ 420,038**

	2023			
	Level 1	Level 2	Level 3	Total
Mutual fund	$ 243,198	$ -	$ -	**$ 243,198**
Derivative financial instruments, net	-	-	(3,689,705)	**(3,689,705)**
	$ 243,198	**$ -**	**$ (3,689,705)**	**$ (3,446,507)**

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, 2024 and 2023. There were no transfers in/out of Level 3 investments during the years ended June 30, 2024 and 2023. 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:

	2024	2023
Furniture, fixtures, equipment and software	$ 306,846	$ 557,829
Leasehold improvements	-	31,313
	306,846	589,142
Less accumulated depreciation and amortization	(118,433)	(384,929)
Total Property and Equipment, Net	**$ 188,413**	**$ 204,213**

Depreciation and amortization expense for the years ended June 30, 2024 and 2023, was $48,236 and $45,764, respectively.

Note 9 – Debt

In support of the Organization's mission, the Organization from time to time receives concessionary funding from certain lenders. Economic benefit associated with the lower cost of some of the borrowing to the Organization is not significant as it is typically offset by the benefits or support passed along to the Organization's borrowers.

Debt consists of the following at June 30:

Global Partnerships	2024	2023
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, 2024 and 2023, the contingent interest liability to be paid at maturity totaled $3,416,952 and $2,888,202, respectively, which has been accrued on the consolidated statements of financial position for fiscal year ended June 30, 2024 and 2023, respectively.	$ 10,500,000	$ 10,500,000
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, 2024 and 2023, the contingent interest liability to be paid at maturity totaled $381,096 and $301,096, 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, 2024 and 2023, the contingent interest liability to be paid at maturity totaled $307,630, and $197,630 respectively.	5,500,000	5,500,000

Note 9 – Debt (Continued)

	2024	2023
Limited recourse notes issued in September 2023 to provide capital for GP's equity contribution in IFF9. These notes have only limited recourse to the performance of IFF9 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 1) to the extent any distribution is made to GP's equity and 2) at the maturity date. In each case, such payments are dependent on surplus cash from IFF9 that is returned to GP for its equity in the Fund. The notes mature in June 2043. As of June 30, 2024 and 2023, the contingent interest liability to be paid at maturity totaled $7,722, and $0 respectively.	$ 500,000	$ -
Limited recourse notes issued between September 2023 and October 2023 to provide capital for GP's equity contribution in IFF10. These notes have only limited recourse to the performance of IFF10 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 1) to the extent any distribution is made to GP's equity and 2) at the maturity date. In each case, such payments are dependent on surplus cash from IFF10 that is returned to GP for its equity in the Fund. The notes mature in June 2043. As of June 30, 2024 and 2023, the contingent interest liability to be paid at maturity totaled $54,270, and $0 respectively.	3,500,000	-
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.	437,186	437,186
<u>Global Partnerships Eleos Social Venture Fund</u> Unsecured notes in SVF issued between July 2016 and June 2023 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. During the years ended June 30, 2024 and 2023, $0 and $116,249 in notes were donated to Global Partnerships. As of June 30, 2024 and 2023, the contingent interest liability to be paid at maturity totaled $427,269 and $322,950 respectively.	3,724,175	3,724,175

Note 9 – Debt (Continued)

	2024	2023
Global Partnerships Social Investment Fund 6.0 Unsecured notes in SIF 6.0 issued between March 2016 and March 2023 with interest payable quarterly at rates ranging from 1% to 4% per annum. The notes mature in September 2025. During the years ended June 30, 2024 and 2023, $0 and $500,000 in notes were donated to Global Partnerships.	$ 59,297,340	$ 62,547,340
Global Partnerships Impact-First Development Fund Unsecured notes in IFDF issued between October 2019 and June 2023 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, with four equal semi-annal payments occurring between March 2028 and September 2029. As of June 30, 2024 and 2023, the interest liability to be paid at maturity totaled $2,447,122 and $1,447,122 which has been accrued on the consolidated statements of activities for fiscal years ending June 30, 2024 and 2023, respectively.	50,000,000	50,000,000
Global Partnerships Impact-First Growth Fund Unsecured notes in IFGF issued between November 2021 and July 2023 with interest payable quarterly at a rate of 2% per annum. The notes mature in July 2031, with eight equal quarterly payments occurring between October 2029 and July 2031.	37,500,000	34,375,000
Global Partnerships Impact-First Fund 9 Unsecured notes in IFF9 issued between June 2023 and October 2023 with interest payable semi-annually at a rates ranging from 1.5% to 2% per annum. The notes mature in December 2028 and December 2033.	1,850,000	300,000
Global Partnerships Impact-First Fund 10 Unsecured notes in IFF10 issued in February 2024 with interest payable semi-annually at rates ranging from 1.5% to 2% per annum. The notes mature in June 2029 and June 2034.	10,000,000	-
Total Debt	**$ 186,808,701**	**$ 171,383,701**

Note 9 – Debt (Continued)

Debt maturities consist of the following at June 30:

2025	$ -
2026	69,797,340
2027	4,161,361
2028	12,500,000
2029	32,850,000
Thereafter	67,500,000
Total Debt	**$ 186,808,701**

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 Impact Investment Loans and Impact 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:

	2024	2023
Contributions receivable - time restriction	$ 296,337	$ 373,860
Program-related grants - purpose & time restriction	1,192,621	218,198
Endowment - perpetuity	289,167	243,198
Total Assets with Donor Restrictions	**$ 1,778,125**	**$ 835,256**

During the year ended June 30, 2024, releases from restrictions totaled $147,729 for program, $15,724 for permanent endowment, and $245,132 due to the collection of pledges. During the year ended June 30, 2023, releases from restrictions totaled $179,302 for program, $15,511 for permanent endowment, and $311,355 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, 2024 and 2023, the Organization appropriated $15,724 and $15,511 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:

	2024	2023
Endowment Fund, Beginning Balance	$ 243,198	$ 216,395
Investment return	61,693	42,314
Amounts appropriated for expenditure	(15,724)	(15,511)
Endowment Fund, Ending Balance	**$ 289,167**	**$ 243,198**

As of June 30, 2024 and 2023, net assets without donor restrictions consist of the board designated reserves of three months of operating expenses of approximately $1,787,000 and $1,625,000, respectively.

Note 11 – Leases

Operating Leases – GP entered into noncancelable operating lease agreements for office space in Bogotá, Colombia and Nairobi, Kenya, expiring from January 2025 to August 2026, with monthly payments ranging from $719 to $2,255. GP leases office equipment under a noncancelable operating lease that expires in January 2027, with monthly payments of $238.

GP entered a noncancelable operating lease agreement for office space in Seattle, WA that commenced August 2022 and expires in May 2031. The monthly payments range between $21,833 and $25,992.

For the years ended June 30, components of lease expense were as follows:

	2024	2023
Operating lease cost	$ 315,350	$ 249,442
Variable lease cost	8,383	2,100
Total lease cost	**$ 323,733**	**$ 251,542**

Note 11 – Leases (Continued)

For the year ended June 30, 2024 and 2023, supplemental cash flow information related to leases were as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities operating cash flows from operating leases	$ 306,858	$ 87,332
ROU assets obtained in exchange for new lease liabilities operating leases	$ 145,363	$ 2,107,320
Weighted-average remaining lease term in years operating leases	6.65	7.92
Weighted-average discount rate operating leases	2.70%	2.60%

As of June 30, 2024, the undiscounted future lease payment under capitalized noncancelable leases by year ending June 30 was as follows:

2025	$ 328,518
2026	334,757
2027	294,247
2028	293,186
2029	299,424
Thereafter	591,844
Total Payments	**$ 2,141,976**
Less: present value discount	(178,793)
Total lease liabilities	**$ 1,963,183**

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, 2024 and 2023, GP’s contributions to the Plan were $229,415 and $228,729, 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 $1,743,000 and $1,693,000 for the years ended June 30, 2024 and 2023, respectively. Contributions to the Organization from board members and other related parties were approximately $761,000 and $916,000 for the years ended June 30, 2024 and 2023, respectively.

SUPPLEMENTAL INFORMATION

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Financial Position with Consolidating Information
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	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 Impact First Fund 9, LLC	Global Partnerships Impact First Fund 10, LLC	Global Partnerships Eleos Social Venture Fund, LLC	Eliminations	**2024**	**2023**
Assets												
Cash and cash equivalents	$ 4,262,377	$ 789	$ -	$ 7,840,919	$ 6,360,221	$ 5,367,741	$ 3,120,170	$ 12,201,918	$ 528,016	$ -	$ 39,682,151	$ 18,065,196
Contributions receivable, net	330,337	-	-	-	-	-	-	-	-	-	330,337	472,860
Impact-related loans and investments												
Impact investment loans receivable, net	454,232	-	-	67,527,000	53,390,556	40,591,615	-	2,139,987	-	-	164,103,390	167,410,261
Impact investments in securities, at cost, net of impairment	11,349,712	-	-	-	-	-	-	-	3,341,782	-	14,691,494	13,289,658
Impact investments in funds, at fair value	289,167	-	-	-	-	-	-	-	-	-	289,167	243,198
Derivative instruments	-	-	-	1,193,642	447,444	116,133	-	171,755	-	-	1,928,974	860,202
Interest receivable	16,320	-	-	270,334	216,921	674,483	-	26,256	-	-	1,204,314	1,085,861
Other assets	82,465	-	-	678,286	754,015	317,109	10,602	345,010	-	(103,093)	2,084,394	1,523,305
Property and equipment, net	188,413	-	-	-	-	-	-	-	-	-	188,413	204,213
Lease right-of-use asset	1,819,023	-	-	-	-	-	-	-	-	-	1,819,023	1,930,122
Investment in subsidiaries	40,592,543									(40,592,543)	-	-
Total Assets	**$ 59,384,589**	**$ 789**	**$ -**	**$ 77,510,181**	**$ 61,169,157**	**$ 47,067,081**	**$ 3,130,772**	**$ 14,884,926**	**$ 3,869,798**	**$ (40,695,636)**	**$ 226,321,657**	**$ 205,084,876**
Liabilities and Net Assets												
Liabilities												
Accounts payable	$ 114,271	$ -	$ -	$ 3,634	$ 11,765	$ 14,308	$ 3,522	$ 19,766	$ -	$ -	$ 167,266	$ 87,693
Lease liability	1,963,183	-	-	-	-	-	-	-	-	-	1,963,183	2,070,399
Accrued liabilities	911,853	-	-	54,356	68,053	40,010	-	63,889	462	-	1,138,623	1,103,920
Derivative instruments	-	-	-	614,604	933,085	250,414	-	-	-	-	1,798,103	4,549,907
Interest payable	3,416,952	-	-	-	2,447,122	135,417	1,156	7,083	-	-	6,007,730	4,457,813
Debt	24,437,186	-	-	59,297,340	50,000,000	37,500,000	1,850,000	10,000,000	4,277,610	(553,435)	186,808,701	171,383,701
Total Liabilities	**30,843,445**	**-**	**-**	**59,969,934**	**53,460,025**	**37,940,149**	**1,854,678**	**10,090,738**	**4,278,072**	**(553,435)**	**197,883,606**	**183,653,433**
Net Assets												
Members equity contributions	-	100	-	11,250,000	5,000,000	8,000,000	1,250,000	4,750,000	1,000,000	(31,250,100)	-	-
Members equity withdrawals	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated earnings (deficit)	-	689	-	6,290,247	2,709,132	1,126,932	26,094	44,188	(1,408,274)	(8,789,008)	-	-
Net Assets without donor restrictions	26,763,019	-	-	-	-	-	-	-	-	(103,093)	26,659,926	20,596,187
Net Assets with donor restrictions	1,778,125	-	-	-	-	-	-	-	-	-	1,778,125	835,256
Total Net Assets	**28,541,144**	**789**	**-**	**17,540,247**	**7,709,132**	**9,126,932**	**1,276,094**	**4,794,188**	**(408,274)**	**(40,142,201)**	**28,438,051**	**21,431,443**
Total Liabilities and Net Assets	**$ 59,384,589**	**$ 789**	**$ -**	**$ 77,510,181**	**$ 61,169,157**	**$ 47,067,081**	**$ 3,130,772**	**$ 14,884,926**	**$ 3,869,798**	**$ (40,695,636)**	**$ 226,321,657**	**$ 205,084,876**

See independent auditor’s report.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities with Consolidating Information
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	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 Impact First Fund 9, LLC	Global Partnerships Impact First Fund 10, LLC	Global Partnerships Eleos Social Venture Fund LLC	Eliminations
Operating Activity Revenue and Other Support											
Contributions	$ 1,305,638	$ 1,268,999	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
In-kind contributions	10,244	-	-	-	-	-	-	-	-	-	-
Interest and fee income	4,160,665	20,762	3,587,555	4,103	5,167,245	3,862,090	3,242,040	106,315	355,949	25,914	(7,175,110)
Net assets released from restrictions	408,585	(408,585)	-	-	-	-	-	-	-	-	-
Total Operating Activity Revenue and Other Support	**5,885,132**	**881,176**	**3,587,555**	**4,103**	**5,167,245**	**3,862,090**	**3,242,040**	**106,315**	**355,949**	**25,914**	**(7,175,110)**
Operating Expenses											
Program services	5,837,772	-	3,587,555	1,122	2,330,690	1,915,739	2,867,521	79,337	255,017	600	(7,175,110)
Management and general	749,697	-	-	-	-	-	-	-	-	-	-
Fundraising	304,358	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	**6,891,827**	**-**	**3,587,555**	**1,122**	**2,330,690**	**1,915,739**	**2,867,521**	**79,337**	**255,017**	**600**	**(7,175,110)**
Changes in Net Assets from Operations	**(1,006,695)**	**881,176**	**-**	**2,981**	**2,836,555**	**1,946,351**	**374,519**	**26,978**	**100,932**	**25,314**	**-**
Other Changes											
Income from subsidiaries	7,178,559	-	-	-	-	-	-	-	-	-	(7,178,559)
Foreign currency transaction gains (losses)	(5,032)	-	-	-	(780,308)	(781,248)	(1,013,583)	-	(227,615)	-	-
Endowment net investment income	-	61,693	-	-	-	-	-	-	-	-	-
Impairment on investments in securities	-	-	-	-	-	-	-	-	-	(554,090)	-
Unrealized (loss) on investments	-	-	-	-	-	-	-	-	-	1,342,105	-
Realized (loss) on investments	-	-	-	103,093	-	-	-	-	-	(44,001)	(103,093)
Realized (loss) on derivative instruments	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of derivative instruments	-	-	-	-	1,261,284	1,062,352	1,325,185	-	171,755	-	-
Changes in Net Assets	**6,166,832**	**942,869**	**-**	**106,074**	**3,317,531**	**2,227,455**	**686,121**	**26,978**	**45,072**	**769,328**	**(7,281,652)**
Net Assets	**$ 26,763,019**	**$ 1,778,125**	**$ 789**	**$ -**	**$ 17,540,247**	**$ 7,709,132**	**$ 9,126,932**	**$ 1,276,094**	**$ 4,794,188**	**$ (408,274)**	**$ (40,142,201)**

See independent auditor’s report.

GLOBAL PARTNERSHIPS AND SUBSIDIARIES

Consolidated Statements of Activities with Consolidating Information (Continued)
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activity Revenue and Other Support						
Contributions	$ 1,305,638	$ 1,268,999	$ 2,574,637	$ 4,163,119	$ 114,665	$ 4,277,784
In-kind contributions	10,244	-	10,244	28,778	-	28,778
Interest and fee income	13,336,766	20,762	13,357,528	12,302,124	-	12,302,124
Net assets released from restrictions	408,585	(408,585)	-	506,168	(506,168)	-
Total Operating Activity Revenue and Other Support	**15,061,233**	**881,176**	**15,942,409**	**17,000,189**	**(391,503)**	**16,608,686**
Operating Expenses						
Program services	9,700,243	-	9,700,243	10,056,202	-	10,056,202
Management and general	749,697	-	749,697	628,552	-	628,552
Fundraising	304,358	-	304,358	310,517	-	310,517
Total Operating Expenses	**10,754,298**	**-**	**10,754,298**	**10,995,271**	**-**	**10,995,271**
Changes in Net Assets from Operations	**4,306,935**	**881,176**	**5,188,111**	**6,004,918**	**(391,503)**	**5,613,415**
Other Changes						
Foreign currency transaction gains (losses)	(2,807,786)	-	(2,807,786)	3,279,927	-	3,279,927
Endowment net investment income	-	61,693	61,693	-	42,314	42,314
Impairment on investments in securities	(554,090)	-	(554,090)	(2,119,225)	-	(2,119,225)
Unrealized (loss) on investments	1,342,105	-	1,342,105	(226,653)	-	(226,653)
Realized (loss) on investments	(44,001)	-	(44,001)	(532,013)	-	(532,013)
Realized (loss) on derivative instruments	-	-	-	(150,335)	-	(150,335)
Change in fair value of derivative instruments	3,820,576	-	3,820,576	(4,391,716)	-	(4,391,716)
Changes in Net Assets	**6,063,739**	**942,869**	**7,006,608**	**1,864,903**	**(349,189)**	**1,515,714**
Net Assets	**$ 26,659,926**	**$ 1,778,125**	**$ 28,438,051**	**$ 20,596,187**	**$ 835,256**	**$ 21,431,443**

See independent auditor's report.