

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

Pact, Inc. and Affiliates

September 30, 2023 and 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Pact, Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of Pact, Inc. and Affiliates ("Pact"), which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Pact as of September 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

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

Emphasis of matter

As discussed in Notes 1 and 7 to the consolidated financial statements, Pact has adopted new accounting guidance in 2023 related to the accounting for leases. Our opinion is not modified with respect to this matter.

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 Pact's ability to continue as a going concern for one year after the date the 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 US 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 US 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 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 Pact's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pact's ability to continue as a going concern for a reasonable period of time.

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements as a whole. The Consolidating Schedules of Financial Position as of September 30, 2023 and 2022, and the Consolidating Schedules of Activities, Schedules of Functional Expenses – Pact, Inc., Schedule of Functional Expenses – Pact UK, and the Schedules of Program Expenditures and Cash Received of Non-US Federal Government Awards – Pact, Inc. and Pact UK for the years ended September 30, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary 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. These additional procedures included 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 US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on 2022 summarized comparative information

We have previously audited Pact's 2022 consolidated financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 27, 2023. In our opinion, the accompanying summarized comparative information as of and for the year ended September 30, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grant Thornton LLP

Arlington, Virginia
May 17, 2024

Pact, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 111,332,175	\$ 30,516,116
Investments	3,193,162	2,871,051
Federal grants receivable	11,437,514	4,097,726
Other grants receivable	1,815,208	1,475,916
Advances and other receivables	1,564,468	785,128
Prepaid expenses and deposits	1,048,167	1,120,145
Notes receivable	156,370	156,370
Loan portfolio, net of loan loss reserve	37,886	209,058
Property and equipment, net	1,617,051	1,877,872
Right-of-use assets - operating	19,483,923	-
Total assets - discontinued operations (PGMF)	-	225,283,967
	<hr/>	<hr/>
Total current assets	<u>\$ 151,685,924</u>	<u>\$ 268,393,349</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 19,649,923	\$ 16,765,240
Beneficiary savings and reserved funds	311,860	-
Due to United Nations Development Programme and Others	26,086,231	-
Notes payable	40,945,900	7,856
Refundable advances – federal	7,629,526	3,984,555
Refundable advances – other	3,345,948	5,601,027
Deferred rent	-	5,475,173
Lease liabilities - operating	27,312,248	-
Total liabilities - discontinued operations (PGMF)	-	126,427,817
	<hr/>	<hr/>
	125,281,636	158,261,668
	<hr/>	<hr/>
Commitments and contingencies		
Net assets without donor restrictions	22,426,085	109,281,947
Net assets with donor restrictions	3,978,203	849,734
	<hr/>	<hr/>
Total net assets	<u>26,404,288</u>	<u>110,131,681</u>
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Total liabilities and net assets	<u>\$ 151,685,924</u>	<u>\$ 268,393,349</u>

The accompanying notes are an integral part of these consolidated financial statements.

Pact, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended September 30, 2023 with comparative totals for 2022

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Support and revenue				
Grants and contracts	\$ 153,219,484	\$ -	\$ 153,219,484	\$ 162,454,926
Contributions	329,346	3,335,976	3,665,322	188,262
Investment return	425,340	-	425,340	(512,337)
Other revenue	1,117,689	-	1,117,689	352,613
Net assets released from restrictions	207,507	(207,507)	-	-
Total support and revenue	155,299,366	3,128,469	158,427,835	162,483,464
Expenses				
Program services	132,203,476	-	132,203,476	140,256,031
Supporting services				
Management and general	24,109,532	-	24,109,532	22,790,883
Fundraising	3,118	-	3,118	1,417
Total supporting services	24,112,650	-	24,112,650	22,792,300
Total expenses	156,316,126	-	156,316,126	163,048,331
Change in net assets before other gains and losses	(1,016,760)	3,128,469	2,111,709	(564,867)
Other gains and (losses)				
Bad debt expense	(90,263)	-	(90,263)	(1,683)
Contribution expense	(2,250)	-	(2,250)	-
Lease impairment loss	(1,941,940)	-	(1,941,940)	-
CHANGE IN NET ASSETS FROM CONTINUING OPERATIONS	(3,051,213)	3,128,469	77,256	(566,550)
Loss from discontinued operations - PGMF	(83,804,649)	-	(83,804,649)	(34,438,397)
CHANGE IN NET ASSETS	(86,855,862)	3,128,469	(83,727,393)	(35,004,947)
Net assets, beginning of year	109,281,947	849,734	110,131,681	145,136,628
Net assets, end of year	\$ 22,426,085	\$ 3,978,203	\$ 26,404,288	\$ 110,131,681

The accompanying notes are an integral part of this consolidated financial statement.

Pact, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2023

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Salaries and related expenses	\$ 27,639,156	\$ 12,991,079	\$ 1,637	\$ 12,992,716	\$ 40,631,872
Fringe benefits	8,531,431	3,449,776	433	3,450,209	11,981,640
Allowances	681,823	1,764	-	1,764	683,587
Consultant fees	3,715,618	398,952	-	398,952	4,114,570
Travel	3,680,470	622,076	-	622,076	4,302,546
Vehicles and equipment	2,967,690	39,744	-	39,744	3,007,434
Supplies and other	1,873,159	1,664,592	1,048	1,665,640	3,538,799
Banking and professional fees	3,663,910	960,003	-	960,003	4,623,913
Occupancy	2,003,926	3,563,800	-	3,563,800	5,567,726
Training and conferences	7,964,000	127,864	-	127,864	8,091,864
Depreciation	-	273,521	-	273,521	273,521
Interest	104	16,361	-	16,361	16,465
Total expenses before subgrants and subcontracts	62,721,287	24,109,532	3,118	24,112,650	86,833,937
Subgrants and subcontracts	69,482,189	-	-	-	69,482,189
	<u>\$ 132,203,476</u>	<u>\$ 24,109,532</u>	<u>\$ 3,118</u>	<u>\$ 24,112,650</u>	<u>\$ 156,316,126</u>

The accompanying notes are an integral part of this consolidated financial statement.

Pact, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2022

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Salaries and related expenses	\$ 31,666,273	\$ 12,458,902	\$ 1,013	\$ 12,459,915	\$ 44,126,188
Fringe benefits	9,202,797	3,317,425	267	3,317,692	12,520,489
Allowances	1,165,960	991	-	991	1,166,951
Consultant fees	2,730,477	459,175	-	459,175	3,189,652
Travel	3,332,256	511,430	-	511,430	3,843,686
Vehicles and equipment	1,359,133	125,965	-	125,965	1,485,098
Supplies and other	2,299,368	1,414,369	-	1,414,369	3,713,737
Banking and professional fees	1,857,526	1,154,338	137	1,154,475	3,012,001
Occupancy	2,536,226	2,730,373	-	2,730,373	5,266,599
Training and conferences	10,381,001	117,398	-	117,398	10,498,399
Depreciation	4,287	330,931	-	330,931	335,218
Interest	42	169,586	-	169,586	169,628
Total expenses before subgrants and subcontracts	66,535,346	22,790,883	1,417	22,792,300	89,327,646
Subgrants and subcontracts	73,720,685	-	-	-	73,720,685
	<u>\$ 140,256,031</u>	<u>\$ 22,790,883</u>	<u>\$ 1,417</u>	<u>\$ 22,792,300</u>	<u>\$ 163,048,331</u>

The accompanying notes are an integral part of this consolidated financial statement.

Pact, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets from continuing operations	\$ 77,261	\$ (6,269,267)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in net assets from discontinued operations	(83,804,649)	(34,438,397)
Depreciation	273,521	335,218
Bad debt expenses	90,263	1,683
(Gain) loss on disposal of equipment	(6,538)	40,648
Unrealized (gain) loss on investment	(197,555)	564,138
Realized (gain) loss on investment	(42,238)	39,958
Loan revaluation	-	(66,498)
Lease impairment	1,941,940	289,159
Non-cash lease expense	1,886,949	-
Changes in assets and liabilities:		
Federal grants receivable	(7,339,788)	248,632
Other grants receivable	(309,823)	(277,543)
Advances and other receivables	(750,646)	118,298
Loans and notes receivable	80,909	-
Prepaid expense, deposits, other	126,718	596,127
Accounts payable and accrued expenses	(1,755,232)	237,753
Notes payable	-	(7,127)
Refundable advances - federal	3,644,971	(3,311,050)
Refundable advances - other	(2,255,079)	(1,700,784)
Deferred rent	-	70,014
Change in lease liabilities - operating	(1,475,737)	-
Net cash flows from operating activities - discontinued operations	(419,096)	65,588,874
Net cash (used in) provided by operating activities	(90,233,849)	22,059,836
Cash flows used in investing activities		
Purchases of investments	(230,833)	(687,299)
Proceeds from sales of investments	148,515	604,640
Purchase of property and equipment	(12,700)	(166,572)
Proceeds from sales of PP&E	6,538	32,344
Net cash flows from investing activities - discontinued operations	137,368,327	10,170,055
Net cash provided by investing activities	137,279,847	9,953,168
Cash flows provided by financing activities		
Proceeds from short term borrowing	2,000,000	-
Net cash flows from financing activities - discontinued operations	(10,391,107)	(47,545,520)
Net cash used in financing activities	(8,391,107)	(47,545,520)
Effect of exchange rates on cash - discontinued operations	(54,587)	(10,302,181)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	38,600,304	(25,834,697)
Cash and cash equivalents		
Beginning	30,516,116	98,566,568
Cash and cash equivalents (to)/from discontinued operations	42,215,755	(42,215,755)
Ending	\$ 111,332,175	\$ 30,516,116
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ 4,410,816	\$ 18,786,359

The accompanying notes are an integral part of these consolidated financial statements.

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Pact, Inc. and Affiliates (collectively, "Pact") consist of the activities of Pact, Inc., Pact Global Microfinance Fund ("PGMF"), Pact Microfinance Holding Co PTE Ltd, Pact Global (UK) Charitable Incorporated Organization ("PactUK"), and Pact Ventures ("Ventures").

Pact Inc. is an international nonprofit that works in nearly 40 countries building solutions for human development that are evidence-based, data-driven and owned by the communities we serve. Our vision is thriving, resilient and engaged communities leading their own development. Founded in 1971, Pact works with partners to build resilience, improve accountability, and strengthen knowledge and skills for sustainable social impact. We are a recognized global leader in creating social impact. Our staff have a range of expertise in areas including capacity development, public health, governance and civil society, climate change adaptation and mitigation, energy, women's economic empowerment, fragile states, artisanal and small-scale mining communities, monitoring and evaluation, microfinance and more. The business and property of Pact are managed and controlled by Pact's volunteer Board of Directors. Pact receives most of its funding from U.S. federal agencies, both directly and as pass-through awards. Other donors include corporations, private foundations, foreign government agencies and multilaterals.

PGMF is a wholly controlled subsidiary of Pact; it is structured to qualify as a Type I Supporting Organization under Section 509(a)(3) of the Internal Revenue Code (the "IRC"). PGMF was incorporated in the state of Delaware on February 2, 2012, as an outgrowth of Pact's 15 years of microfinance operations in Myanmar. PGMF facilitates access to microfinance services for the poor using a group lending methodology and stimulates small business ventures through a range of basic small business development support services. From 1997-2023, PGMF's microfinance operations have reached nearly two million individuals, more than 98% of whom are women, across 88 townships. Due to government restrictions, PGMF closed on June 30, 2023. Please see Note 18 for details on the discontinued operations.

Pact UK was established in the United Kingdom ("UK") in February 2016 to support the activities of Pact, Inc. and to contribute to the growth of civil society, strengthen the community-focused nonprofit sector worldwide, and implement innovative program initiatives. With a particular focus on the Foreign, Commonwealth and Development Office ("FCDO") of the British Government, Pact UK has expanded initiatives, such as mines to markets, growing in the health and social accountability, and informing UK policy development on modern slavery, notably child labor. Pact UK is a registered charity, number 1165725, in the UK. The Board of Trustees of Pact UK has decided to complete current projects and then cease operations on December 31, 2023.

Pact Ventures Limited Liability Company ("LLC") was incorporated on October 3, 2018. Its goal is to deliver positive social impact through investments and business activities. Pact Inc. is the sole member of Pact Ventures LLC. Pact Ventures had no activity during 2023 and 2022.

Pact Microfinance Holding Co. PTE Ltd. was a private company limited by share that was incorporated on June 15, 2020 in Singapore. PGMF was the sole shareholder of the holding company, which was closed in April 2022.

A summary of Pact's significant accounting policies follows:

Basis of accounting: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Basis of presentation: Pact reports information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction, as applicable.

Principles of consolidation: The consolidated financial statements include the accounts of Pact, Inc., PGMF and its subsidiary Pact Microfinance Holding Co., Pact UK, and Pact Ventures. All significant intercompany transactions have been eliminated.

Financial risk: Pact maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. Pact has not experienced any losses in such accounts. Pact believes it is not exposed to any significant financial risk on cash and cash equivalents.

Pact had approximately \$94 million and \$53 million of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2023 and 2022, respectively.

Pact invests its reserves in mutual funds and money market funds. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to change in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended September 30, 2022, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of reporting cash flows, Pact considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments consist of mutual funds and money market funds and are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is included as a component of investment income, net in the consolidated statements of activities.

Grants Receivable

Receivables are carried at original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. The majority of Pact's receivables are comprised of amounts billed on federal and other grants, which are billable when expenditures are incurred. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. There was no provision for doubtful grants receivable accounts at September 30, 2023 and 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Advances and Other Receivables

Advances and other receivables consist primarily of advances to subrecipients. Advances are liquidated when allowable expenditures, under the terms of the respective subrecipient agreements, are incurred and reported by the subrecipient. Management determines an allowance for advances by reviewing the listing of advances outstanding and identifying any troubled accounts. Amounts are written off when deemed uncollectible. There was no provision for doubtful advance and other receivables accounts at September 30, 2023 and 2022.

Property and Equipment

Property and equipment with a cost of \$5,000 or more are capitalized. Improvements to property and equipment that extend the useful lives of the assets are also capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Valuation of Long-Lived Assets

Pact reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Leases

Pact adopted ASU 2016-02, *Leases (Topic 842)* as of October 1, 2022. After the adoption of this standard, Pact determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether Pact controls the use of the identified asset throughout the period of use. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent Pact's right to use an underlying asset for the lease term and lease liabilities represent Pact's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the organization's borrowing rate at either the adoption of ASC 842 or if the lease commenced later than October 1, 2022, the borrowing rate at the start date of that particular lease. Expenses related to leases determined to be operating leases are recognized on a straight-line basis.

Pact assesses whether a lease is classified as an operating lease or a finance lease at lease commencement. Pact's ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of our ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

Pact does not allocate consideration between lease and non-lease components, such as operating costs, as Pact has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

Operating leases are presented separately as operating lease ROU assets and operating lease liabilities in the accompanying statements of financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Revenue Recognition

Revenue from contracts is recognized in accordance with a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five steps of the model include: 1) identify the contract(s) with a customer, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenue when (or as) Pact satisfies a performance obligation. Pact recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration Pact expects to be entitled to in exchange for those goods or services.

Pact, Inc. and Pact UK: Grants are deemed to be non-exchange transactions and are reported as revenues in net assets without donor restrictions when expenses have been incurred in compliance with the grant requirements and the barriers to entitlement have been met. Such amounts received but not yet earned (advances and reimbursements in excess of costs incurred) are reported as refundable advances. Costs incurred in excess of amounts received are reported as receivables.

Contracts classified as exchange transactions are recorded as revenue at a point in time when performance obligations are met. Funds received in advance of revenue recognition are recorded as deferred revenue.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain management and staff expenses have been allocated to programs on the basis of time spent. Other expenses have been allocated to programs based upon salaries expense.

Foreign Currency Translation and Transactions - Pact, Inc. and Pact UK

The reporting currency and functional currency is the U.S. dollar. Monthly expenses that are incurred by field offices in foreign countries in foreign currencies are translated into U.S. dollars at the rate of exchange in effect during the month of the transaction. Gains and losses from foreign currency transactions are netted with expenses on the consolidated statements of activities.

Income Taxes

Pact follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Pact, Inc. and PGMF are exempt from federal income tax under IRC section 501(c)(3), though they are subject to tax on income unrelated to the organizations' exempt purpose, unless that income is otherwise excluded by the Code. Pact UK is registered as a charity in the UK. Pact has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Pact has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncement

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Among other provisions, this ASU requires the allowance for credit losses to reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. For all other entities (nonpublic), the ASU is effective for fiscal years beginning October 1, 2023. Pact is currently assessing the potential impact of this ASU on the consolidated financial statements.

Recently Adopted Accounting Pronouncements

Accounting Standards Update 2016-02, *Leases (Topic 842)*, is effective for not-for-profit entities for annual periods beginning after December 15, 2021. For Pact, that is its fiscal year 2023. The core principle of Topic 842 is that a lessee should recognize assets and liabilities that arise from all leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Pact elected the modified retrospective transition method and did not restate prior comparative periods. The standards also provide additional transition relief, of which Pact has elected to (1) not reassess whether any expired or existing contracts are or contain leases, (2) retain the classification of leases (e.g., operating or finance lease) existing as of the date of adoption, (3) not reassess initial direct costs for any existing leases, and (4) not utilize hindsight when assessing lease term and ROU asset impairment. Pact adopted this standard as of October 1, 2022.

Reclassifications

Certain items in the 2022 financial statements have been reclassified to correspond to the presentation in the 2023 financial statements. In 2022, Pact reclassified \$225,283,967 and \$126,427,817 as discontinued operations assets and liabilities, respectively in the consolidated statement of financial position and \$28,735,680 as discontinued operations in the consolidated statement of activities. The reclassifications had no impact on net assets at September 30, 2022.

NOTE 2 - FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Fair Value Measurement Topic of the ASC defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the Fair Value Topic of the Codification as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under the Fair Value Topic of the Codification are described below:

Level 1 - Quoted market prices in active markets for identical assets or liabilities;

Level 2 - Observable market-based inputs or unobservable inputs corroborated by market data; and

Level 3 - Unobservable inputs that are not corroborated by market data.

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

In certain cases, the inputs used to measure the fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Pact's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Investments in securities traded on a national securities exchange or reported on the NASDAQ national market are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy. There were no Level 2 or 3 investments at September 30, 2023 and 2022.

The following table presents Pact's fair value hierarchy for those assets measured at fair value on a recurring basis as of September 30, 2023 and 2022:

Description	2023			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income - short-term bond	\$ 1,317,788	\$ -	\$ -	\$ 1,317,788
Fixed income - intermediate term bond	318,099	-	-	318,099
Equity - large value	859,368	-	-	859,368
Equity - diversified emerging markets	227,678	-	-	227,678
Equity - world stock	372,734	-	-	372,734
Equity - information technology sector	74,275	-	-	74,275
	3,169,942	-	-	3,169,942
Note investment	-	-	156,370	156,370
Money market funds	23,220	-	-	23,220
	<u>\$ 3,193,162</u>	<u>\$ -</u>	<u>\$ 156,370</u>	<u>\$ 3,349,532</u>
Description	2022			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income - short-term bond	\$ 1,190,844	\$ -	\$ -	\$ 1,190,844
Fixed income - intermediate term bond	294,737	-	-	294,737
Equity - large value	765,676	-	-	765,676
Equity - diversified emerging markets	198,792	-	-	198,792
Equity - world stock	342,044	-	-	342,044
Equity - information technology sector	67,483	-	-	67,483
	2,859,576	-	-	2,859,576
Note investment	-	-	156,370	156,370
	2,859,576	-	156,370	156,370
Money market funds	11,475	-	-	11,475
	<u>\$ 2,871,051</u>	<u>\$ -</u>	<u>\$ 156,370</u>	<u>\$ 3,027,421</u>

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Investment income (loss) consists of the following for the years ended September 30, 2023 and 2022:

	2023	2022
Interest and dividends	\$ 201,547	\$ 82,658
Realized and unrealized gain (loss) on investments	239,793	(578,995)
Investment fees	(16,000)	(16,000)
	<u>\$ 425,340</u>	<u>\$ (512,337)</u>

NOTE 3 - ADVANCES AND OTHER RECEIVABLES

Advances and other receivables consist of the following at September 30, 2023 and 2022:

	2023	2022
Subrecipient advances	\$ 861,104	\$ 3,489
Employee advances	41,547	83,593
Other receivables	661,817	698,046
	<u>\$ 1,564,468</u>	<u>\$ 785,128</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation at September 30, 2023 and 2022, and depreciation expense for the years ended September 30, 2023 and 2022, are as follows:

2023					
<u>Asset Category</u>	<u>Estimated Lives (Years)</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation Expense</u>
Software	3	\$ 3,018,245	\$ (2,913,435)	\$ 104,810	\$ 53,679
Leasehold improvements	11	767,257	(351,577)	415,680	36,146
Property and equipment	3-10	2,992,989	(1,896,428)	1,096,561	183,696
		<u>\$ 6,778,491</u>	<u>\$ (5,161,440)</u>	<u>\$ 1,617,051</u>	<u>\$ 273,521</u>
2022					
<u>Asset Category</u>	<u>Estimated Lives (Years)</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation Expense</u>
Software	3	\$ 2,894,041	\$ (2,859,756)	\$ 34,285	\$ 103,263
Leasehold improvements	11	767,257	(315,431)	451,826	36,196
Property and equipment	3-10	3,104,493	(1,712,732)	1,391,761	195,759
		<u>\$ 6,765,791</u>	<u>\$ (4,887,919)</u>	<u>\$ 1,877,872</u>	<u>\$ 335,218</u>

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following at September 30, 2023 and 2022:

	2023	2022
Accrued personnel expenses	\$ 5,220,764	\$ 7,698,271
Accounts payable and accrued expenses	14,429,159	9,066,969
Total accounts payable and accrued expenses	<u>\$ 19,649,923</u>	<u>\$ 16,765,240</u>

NOTE 6 - RETIREMENT FUND

Pact has a 403(b) defined contribution salary deferral plan covering substantially all employees who have completed one year of employment. Contributions are based on a percentage of the employees' compensation; 8.8% for employer contributions for employees who have completed their first year and are in effect until their third year of service, increasing to 13% thereafter. Employees may contribute the maximum amount permitted by law. Pact's contributions to the 403(b) plan which are recorded as retirement expense were \$1,837,160 and \$1,677,465, for the years ended September 30, 2023 and 2022, respectively.

NOTE 7 - LEASES

Upon adoption, ASC 842 *Leases* had an impact in Pact's consolidated statements of financial position and in its consolidated statement of activities and change in net assets. As part of the transition, Pact elected the following practical expedients:

- Package of practical expedients which eliminates the need to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; and (3) the initial direct costs for any existing leases.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date.

For existing leases, Pact did not elect the use of hindsight and did not reassess lease term upon adoption.

Upon adoption, the Organization recorded the opening operating Right of Use (ROU) asset balance based on its remaining deferred rent liabilities. On October 1, 2022, the Organization recorded \$20.7 million in operating lease ROU assets and \$28 million in operating lease liabilities. Operating lease assets exchanged for new lease liabilities totaled \$750,404. Cash paid for leases totaled \$3.2 million during 2023. Pact recorded an impairment loss on an office space operating lease located in Washington, DC of \$1.9 Million.

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Pact Inc. has entered into operating leases for office space and photocopiers. Future undiscounted lease payments for Pact's operating lease liabilities are as follows as of September 30, 2023:

Year ending September 30:

2024	\$ 4,546,570
2025	4,556,125
2026	2,965,750
2027	2,694,226
2028	2,761,374
Thereafter	<u>19,969,170</u>
Total undiscounted cash flows	37,493,215
Less: present value discount	<u>(10,180,968)</u>
Lease liabilities - operating	\$ <u>27,312,248</u>

On March 5, 2021, Pact entered into an agreement to sub-lease a portion of its existing office space located in Washington, DC. The sublease expires November 1, 2025. The sublease receipts will be as follows:

<u>Fiscal Years Ending June 30:</u>	<u>Amount</u>
2024	\$ 920,272
2025	952,516
2026	<u>162,910</u>
Total commitment	\$ <u>2,035,698</u>

The components of lease cost for the years ended September 30, 2023, were as follows:

Operating lease cost	\$ 3,525,077
Short-term lease cost	1,150,248
Variable costs	<u>458,010</u>
Total lease cost	\$ <u>5,133,515</u>

The following table represents the weighted-average remaining lease term and discount rate as of September 30, 2023:

	<u>Operating Leases</u>
Weighted average remaining lease term (years)	9.6
Weighted average discount rate	6.5%

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Total rent expense under FASB ASC 840 (pre-adoption of the new lease standard) for operating expenses for the year ended September 30, 2022 totaled \$5.3 Million. Remaining future minimum rental payments under operating leases were payable as follows:

<u>Fiscal Years Ending June 30:</u>	<u>Amount</u>
2023	\$ 3,672,733
2024	4,339,472
2025	4,392,444
2026	2,940,000
2027	2,694,226
Thereafter	<u>22,730,544</u>
Total commitment	<u>\$ 40,769,419</u>

The sublease receipts were as follows:

<u>Fiscal Years Ending June 30:</u>	<u>Amount</u>
2023	\$ 889,178
2024	920,272
2025	952,516
2026	<u>162,910</u>
Total commitment	<u>\$ 2,924,876</u>

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Federal awards: Pact participates in a number of federally assisted grant programs, which are subject to financial and compliance audits by the federal government or its representative. As such, there exists a potential contingent liability for potential questioned costs that may result from such audits. Management does not anticipate significant adjustments as a result of such audits.

Grants to subrecipients: Pact has authorized subgrants contingent upon the receipt of acceptable progress reports towards negotiated workplans. The contingent subgrants will be considered authorized when the contingency requirements are met. No liability has been recorded for these unobligated subaward amounts in the accompanying consolidated financial statements.

As part of Pact's efforts to increase access to financing for young women entrepreneurs ("YWE") in Cambodia, in FY 2021 the organization entered into loan guarantee agreements with two financial institutions. In the event that these financial institutions are not able to collect principal and interest payments on loans granted to YWE, these agreements support any losses up to a maximum amount of \$120,000.

In 2023, several other contingency funds were established at banks in Myanmar. These provide a certain level of guarantee against loss when these banks grant loans for solar panel installation. These guarantee funds totaled \$535,926 and are included with accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

No losses were incurred and the guarantee funds were not used by these financial institutions during FY 2023 or FY 2022.

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 9 - MAJOR GRANTOR

During the years ended September 30, 2023 and 2022, Pact received significant direct funding from United States Agency for International Development ("USAID"). A reduction in funding from USAID would have a significant impact on the operations of Pact. For the years ended September 30, 2023 and 2022, approximately 60% and 61%, respectively, of total revenue was related to grants funded directly by USAID. Receivables from USAID as of September 30, 2023 and 2022 totaled 98% and 93%, respectively of total federal grants receivable. Another 13% and 15% of Pact's revenues in the fiscal years ended September 30, 2023 and 2022, respectively, were funded indirectly by USAID through subawards and subcontracts from other development partners that Pact engaged with during both fiscal years 2023 and 2022.

NOTE 10 - CONDITIONAL GRANTS AND CONTRIBUTIONS

Conditional promises to give are not recognized until all conditions are substantially met. As of September 30, 2023, Pact had approximately \$184.7 million in unrecognized conditional grants and contributions, of which \$175.4 million was related to federal grants. As of September 30, 2022, Pact had approximately \$181 million in unrecognized conditional grants and contributions, of which \$180.4 million related to federal grants. The revenue related to these agreements is conditioned on requirements such as Pact incurring allowable expenditures under the terms of the agreements or the agreement of continued funding.

NOTE 11 - REVENUE FROM CONTRACTS

Pact enters into written contract with funders to perform services in mining communities around the world. The payment terms and conditions vary by funder based on the individual contract, in most cases amounts are billed as work progresses as services are provided. At contract inception, Pact assesses the services promised in its contracts with the funder and identifies performance obligations for each promise to transfer to the customer a service that is distinct. Pact satisfies its performance obligations over time as services are provided or milestones are achieved. Pact recognized revenue for contracts over time of \$9,252,542 and \$2,821,811 for the years ended September 30, 2023 and 2022, respectively. Pact's contract receivable balance as of September 30, 2023 and 2022 was \$3,881,503 and \$237,763, respectively and is included with federal grants receivables in the statements of financial position. Pact's receivable balance as of September 30, 2021 was \$195,192. Deferred revenue for contracts which is recognized within other refundable advances on the statement of financial position was \$257,790 and \$28,346 on September 30, 2023 and 2022, respectively. The balance of deferred revenue will be recognized as revenue during the period as services are rendered or milestones are achieved.

NOTE 12 - LINE OF CREDIT

Pact, Inc. has an express credit line loan agreement, which expired on October 13, 2023. The line bears interest at Prime Rate plus 1.0% (subject to a floor of 4.25%) and is secured by Pact Inc.'s assets. The interest rate at September 30, 2023 and 2022, was 9.5% and 7.25%, respectively, including a Prime Rate of 8.5% and 6.25% as of September 30, 2023 and 2022, respectively. The line of credit had a balance of \$2 Million at September 30, 2023. This line of credit is included in notes payable on the consolidated statements of financial position.

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 13 - DUE TO UNITED NATIONS DEVELOPMENT PROGRAMME AND OTHERS

On June 4, 2014, the United Nations Development Programme (UNDP) and Pact Inc. entered into an agreement. Consequently, the UNDP transferred funds to be used by PGMF to grant microfinance loans in Myanmar. Since then, Myanmar law has changed and non-profit microfinance institutions like PGMF are not permitted to register under the Myanmar Companies Law (The Pyidaungsu Htuttaw Law No. 29, 2017) or the new Organization Registration Law-State Administration Council Law No. 45/2022. Hence, on June 29, 2023, the UNDP and PGMF agreed that approximately \$25.7 Million would be retransferred back to UNDP. The UNDP has agreed that these funds are to be used solely to fund development projects in Myanmar in the fields of education and health and for the remediation of poverty and the effects of natural disasters.

NOTE 14 - NOTES PAYABLE

PGMF has obtained funds from different sources to provide microfinance services to borrowers in Myanmar and especially in remote areas where demand is high. The organizations which have lent to PGMF include Belgian Investment Company (BIO), Blue Orchard Microfinance Fund (Blue Orchard), Japan ASEAN Women Empowerment Fund (JAWEF), Microfinance Initiative for Asia (MIFA), Microfinance Enhancement Facility (MEF), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO), Swiss Investment Fund for Emerging Markets (SIFEM/Obviam), and Cordaid.

Details on loan principal outstanding are as follows:

<u>Lender</u>	<u>Start Date</u>	<u>End Date</u>	<u>Loan Amount Outstanding in US\$ as of Sept. 30, 2023</u>	<u>Interest Rate</u>
BIO	5/20/2020	3/3/2025	\$ 6,761,817	16.00%
MEF	2/7/2020	2/7/2024	3,106,714	16.00%
JAWEF	2/27/2020	2/27/2024	1,536,750	16.00%
Blue Orchard	3/3/2020	3/3/2024	1,545,214	16.00%
JAWEF	6/24/2020	6/24/2023	1,750,000	6.75%
MIFA	8/13/2020	8/13/2023	1,753,500	6.50%
MEF	8/13/2020	8/13/2023	1,956,571	16.00%
Blue Orchard	9/2/2020	9/2/2023	2,500,000	6.50%
Cordaid	3/25/2020	3/25/2023	1,700,000	7.00%
FMO	8/11/2020	8/11/2025	11,250,000	4.75%
SIFEM/Obviam	9/10/2020	9/10/2024	5,085,334	16.00%
Notes payable (PGMF)			<u>\$ 38,945,900</u>	

Total accrued interest for these loans totaled \$3,900,241 at September 30, 2023 and is included in accounts payable and accrued expenses on the consolidated statements of financial position. All loans are currently in default. See Note 18 for additional detail.

As of September 30, 2022, notes payables are included in discontinued operations in the consolidated statements of financial position. After operations were discontinued on June 30, 2023, the remaining loans and the cash to pay them have been established back on the statement of financial position as of September 30, 2023, as they are the continued responsibility of the consolidated entity, now that operations have ceased.

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

All overseas lenders to PGMF were notified that principal plus accrued interest through June 30, 2023 would be paid within Myanmar, with appropriate approval from the Central Bank of Myanmar and /or the Financial Regulator Department (FRD). PGMF is in negotiations with all lenders to repay loans within Myanmar. Pact Inc. is supporting the PGMF Board of Directors in the negotiations with the lenders through local Myanmar attorneys. Pact's goal is to have this completed by September 30, 2025. However, this timeline is beyond Pact's control so may be adjusted. Pact Inc. is also providing staff support for all accounting and financial reporting. Pact Inc. will provide this support until such time as the loans have been repaid.

NOTE 15 - AVAILABILITY OF LIQUIDITY OF RESOURCES

Pact regularly monitors its liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investments of its funds not required for annual operations. As of September 30, 2023 and 2022, the following financial assets are available to meet annual operating needs of the 2023 and 2022 fiscal year:

	2023	2022
Cash and cash equivalents	\$ 111,332,175	\$ 30,516,116
Federal grants receivable	11,437,514	4,097,726
Other grants receivable	1,843,902	1,475,916
Employee Advances and other receivables	1,535,774	785,128
Investments maturing within one year available for general purposes	<u>3,193,162</u>	<u>2,871,051</u>
Total financial assets at year end	129,342,527	39,745,937
Less amounts not available to be used within one year:		
Refundable advances - federal	7,629,526	3,984,555
Refundable advances - other	3,345,948	5,601,027
PGMF local currency cash	84,914,643	-
Net assets with donor restrictions	<u>3,978,203</u>	<u>849,734</u>
Financial assets not available to be used for general expenditures	<u>99,868,320</u>	<u>10,435,316</u>
Financial assets available to meet general expenditures within one year	<u>\$ 29,473,207</u>	<u>\$ 29,310,621</u>

NOTE 16 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions have been restricted by donors at September 30, 2023 for the following purposes:

Alternate energy source projects	\$ 3,627,476
Ukraine	30,000
Carbon footprint reduction	20,709
Women in artisanal mining	<u>300,018</u>
	<u>\$ 3,978,203</u>

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 17 - RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions totaling \$207,508 and \$127,943 were released from restriction for alternate energy source projects, Carbon footprint reduction projects and artisanal mining projects during the fiscal year ended September 30, 2023 and 2022, respectively.

NOTE 18 - DISCONTINUED OPERATIONS - PGMF

Under The Myanmar Companies Law (The Pyidaungsu Hluttaw Law No. 29, 2017), PGMF was required to transform from an international non-governmental microfinance organization to a private company registered to conduct microfinance activities by June 30, 2023. Following extensive negotiations with the Small-Scale Industries Department of the Ministry of Cooperative and Rural Development ("SSID"), PGMF was not successful in securing approval to transfer its microfinance business to a new company. Additionally, PGMF was not permitted to register or remain as an NGO microfinance institution operating microfinance activity under the new Organization Registration Law - State Administration Council Law No. 45/2022.

As a consequence, PGMF was forced to cease its microfinance activities in Myanmar effective June 30, 2023. Prior to ceasing operations, PGMF returned savings to clients who had no outstanding loans and to those clients whose savings exceeded their loan balances and could be located. On June 26, 2023, PGMF forgave client loan balances that exceeded client savings account balances.

All PGMF staff were terminated on June 30, 2023. All PGMF employees received statutory severance payments, all accrued leave and staff retirement benefits. The microfinance activities of PGMF are classified as discontinued operations through abandonment at June 30, 2023, as the activities represented a strategic shift in operations for Pact Inc.

As of September 30, 2023, PGMF has cash and notes payables that have been classified as continuing operations in the financial statements as Pact Inc. continues to work with lenders to repay loans within Myanmar. PGMF and the United Nations Development Program (UNDP) agreed upon the retransfer of restricted assets under the UNDP Transfer Agreement to UNDP for use in Myanmar. Pact's goal is to have this completed by September 30, 2025.

All overseas lenders to PGMF were notified that principal plus accrued interest through June 30, 2023 would be paid within Myanmar, with appropriate approval from the Central Bank of Myanmar and /or the Financial Regulator Department (FRD). PGMF is in negotiations with all lenders to repay loans within Myanmar. Pact Inc. is supporting the PGMF Board of Directors in the negotiations with the lenders through local Myanmar attorneys. Pact Inc. is also providing staff support for all accounting and financial reporting. Pact Inc. will provide this support until such time as the loans have been repaid.

Major classes of assets and liabilities of PGMF classified as discontinued operations were as follows:

	<u>2022</u>
Assets	
Cash and cash equivalents	\$ 42,215,755
Other grants receivable	313,513
Advances and other receivables	580,511
Prepaid expenses and deposits	535,742
Loan portfolio, net of loan loss reserve	180,858,551
Property and equipment, net	<u>779,895</u>
Total assets	<u>\$ 225,283,967</u>

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

	<u>2022</u>
Liabilities and net assets	
Accounts payable and accrued expenses	\$ 6,335,231
Beneficiary savings and reserved funds	70,579,046
Net return on loans, reinvested earnings	176,533
Notes payable	49,337,007
Due to related party	<u>39,398</u>
Total liabilities	<u>\$ 126,467,215</u>

The components of the loss from discontinued operations for the fiscal year ended September 30, 2023 were as follows:

	<u>2023</u>	<u>2022</u>
Revenue and support		
Microfinance loan activities	\$ 29,374,463	\$ 59,501,061
Fee Income on microfinance loans	1,567,489	6,665,931
Investment income on microfinance loans	-	12,181
Other revenue	4,552,822	21,134
Expenses and losses		
Operating expenses	(45,789,274)	(59,353,101)
Net return on U.N loan	(25,909,699)	-
Unrealized foreign exchange (gain) loss	(3,929,171)	191,892
Bad debt expense	<u>(43,867,300)</u>	<u>(41,477,495)</u>
Loss from discontinued operations - PGMF	<u>\$ (83,804,649)</u>	<u>\$ (34,438,397)</u>

NOTE 19 - RISKS AND UNCERTAINTIES

Ukraine

On February 24, 2022, the Russian Federation invaded the country of Ukraine. While Pact programs in Ukraine have continued and new funding has been received, all programming is at risk of disruption by the ongoing warfare.

NOTE 20 - SUBSEQUENT EVENTS

Pact evaluated its consolidated financial statements for subsequent events through May 17, 2024, the date the consolidated financial statements were available to be issued. The following are subsequent events:

- Engaged Communities Co. Limited by Guarantee has been established in Myanmar, Nov. 27, 2023.
- Pact UK will be closing operations as of December 31, 2023.
- New country offices were registered in El Salvador and Sri Lanka in FY2024.
- On April 12, 2024, Pact renewed its line of credit agreement which expires on April 13, 2025. The line bears interest at the 30-Day Term Secured Overnight Financing Rate (SOFR) plus 2.6 percentage points and is secured by Pact Inc.'s assets.

Pact, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

An estimate of the financial effect on the consolidated financial statements of these subsequent events cannot yet be estimated.

SUPPLEMENTAL SCHEDULES

Pact, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2023

	Pact, Inc.	UK	PGMF	Microfinance Holding	Pact Ventures	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 25,863,640	\$ 553,892	\$ 84,914,643	\$ -	\$ -	\$ -	\$ 111,332,175
Investments	3,064,383	-	-	-	-	128,779	3,193,162
Federal grants receivable	11,437,514	-	-	-	-	-	11,437,514
Other grants receivable	1,311,328	445,717	58,163	-	-	-	1,815,208
Advances and other receivables	1,564,343	125	-	-	-	-	1,564,468
Prepaid expenses and deposits	993,422	-	54,745	-	-	-	1,048,167
Notes receivable	156,370	-	-	-	-	-	156,370
Loan portfolio, net of loan loss reserve	37,886	-	-	-	-	-	37,886
Due from related party	1,164,206	250,525	-	-	-	(1,414,731)	-
Property and equipment, net	1,617,051	-	-	-	-	-	1,617,051
Right-of-use assets - operating	19,483,923	-	-	-	-	-	19,483,923
Total assets	\$ 66,694,066	\$ 1,250,259	\$ 85,027,551	\$ -	\$ -	\$ (1,285,952)	\$ 151,685,924
LIABILITIES AND NET ASSETS							
Accounts payable and accrued expenses	\$ 14,935,092	\$ 71,598	\$ 4,641,406	\$ -	\$ 1,827	\$ -	\$ 19,649,923
Beneficiary savings and reserved funds	-	-	311,860	-	-	-	311,860
Due to United Nations Development Programme and	-	-	26,086,231	-	-	-	26,086,231
Notes payable	2,000,000	-	38,945,900	-	-	-	40,945,900
Refundable advances - federal	7,629,526	-	-	-	-	-	7,629,526
Refundable advances - other	2,978,384	367,564	-	-	-	-	3,345,948
Due to related party	255,799	805,908	226,072	-	126,952	(1,414,731)	-
Lease liabilities - operating	27,312,248	-	-	-	-	-	27,312,248
Total liabilities - discontinued operations (PGMF)	-	-	-	-	-	-	-
Total liabilities	55,111,049	1,245,070	70,211,469	-	128,779	(1,414,731)	125,281,636
Net assets							
Without donor restrictions	7,604,814	5,189	14,816,082	-	(128,779)	128,779	22,426,085
With donor restrictions	3,978,203	-	-	-	-	-	3,978,203
Total net assets	11,583,017	5,189	14,816,082	-	(128,779)	128,779	26,404,288
Total liabilities and net assets	\$ 66,694,066	\$ 1,250,259	\$ 85,027,551	\$ -	\$ -	\$ (1,285,952)	\$ 151,685,924

Pact, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2022

	Pact, Inc.	UK	PGMF	Microfinance Holding	Pact Ventures	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 28,973,110	\$ 1,543,006	\$ -	\$ -	\$ -	\$ -	\$ 30,516,116
Investments	2,742,272	-	-	-	-	128,779	2,871,051
Federal grants receivable	4,097,726	-	-	-	-	-	4,097,726
Other grants receivable	1,122,369	353,547	-	-	-	-	1,475,916
Advances and other receivables	777,106	8,022	-	-	-	-	785,128
Prepaid expenses and deposits	1,102,304	17,841	-	-	-	-	1,120,145
Notes receivable	156,370	-	-	-	-	-	156,370
Loan portfolio, net of loan loss reserve	209,058	-	-	-	-	-	209,058
Due from related party	941,362	149,726	-	-	-	(1,091,088)	-
Property and equipment, net	1,877,872	-	-	-	-	-	1,877,872
Total assets - discontinued operations (PGMF)	-	-	225,283,967	-	-	-	225,283,967
Total assets	<u>\$ 41,999,549</u>	<u>\$ 2,072,142</u>	<u>\$ 225,283,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (962,309)</u>	<u>\$ 268,393,349</u>
LIABILITIES AND NET ASSETS							
Accounts payable and accrued expenses	\$ 16,725,643	\$ 37,770	\$ -	\$ -	\$ 1,827	\$ -	\$ 16,765,240
Notes payable	7,856	-	-	-	-	-	7,856
Refundable advances - federal	3,984,555	-	-	-	-	-	3,984,555
Refundable advances - other	4,010,865	1,590,162	-	-	-	-	5,601,027
Deferred rent	5,475,173	-	-	-	-	-	5,475,173
Due to related party	554,282	370,456	39,398	-	126,952	(1,091,088)	-
Total liabilities - discontinued operations (PGMF)	-	-	126,427,817	-	-	-	126,427,817
Total liabilities	<u>30,758,374</u>	<u>1,998,388</u>	<u>126,467,215</u>	<u>-</u>	<u>128,779</u>	<u>(1,091,088)</u>	<u>158,261,668</u>
Net assets							
Without donor restrictions	10,391,441	73,754	98,816,752	-	(128,779)	128,779	109,281,947
With donor restrictions	<u>849,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,734</u>
Total net assets	<u>11,241,175</u>	<u>73,754</u>	<u>98,816,752</u>	<u>-</u>	<u>(128,779)</u>	<u>128,779</u>	<u>110,131,681</u>
Total liabilities and net assets	<u>\$ 41,999,549</u>	<u>\$ 2,072,142</u>	<u>\$ 225,283,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (962,309)</u>	<u>\$ 268,393,349</u>

Pact, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES

September 30, 2023

	Inc	UK	PGMF	Microfinance Holding Co.	Pact Ventures LLC	Eliminations	Total
Support and revenue							
Support:							
Grants and contracts	\$ 150,493,214	\$ 2,726,270	\$ -	\$ -	\$ -	\$ -	\$ 153,219,484
Contributions	3,665,230	70,092	-	-	-	(70,000)	3,665,322
Investment income (loss)	424,780	560	-	-	-	-	425,340
Other revenue	1,313,710	-	-	-	-	(196,021)	1,117,689
Total support and revenue	155,896,934	2,796,922	-	-	-	(266,021)	158,427,835
Expenses							
Program services	129,970,217	2,233,259	-	-	-	-	132,203,476
Total program services	129,970,217	2,233,259	-	-	-	-	132,203,476
Supporting service:							
Management and general	23,477,304	632,228	-	-	-	-	24,109,532
Fundraising	3,118	-	-	-	-	-	3,118
Total supporting expenses	23,480,422	632,228	-	-	-	-	24,112,650
Total expenses	153,450,639	2,865,487	-	-	-	-	156,316,126
Change in net assets before other gains and losses	2,446,295	(68,565)	-	-	-	(266,021)	2,111,709
Other gains and losses							
Bad debt expense	(90,263)	-	-	-	-	-	(90,263)
Contribution expense	(72,250)	-	-	-	-	70,000	(2,250)
Lease impairment loss	(1,941,940)	-	-	-	-	-	(1,941,940)
Loss from discontinued operations - PGMF	-	-	(84,000,670)	-	-	196,021	(83,804,649)
	(2,104,453)	-	(84,000,670)	-	-	266,021	(85,839,102)
CHANGE IN NET ASSETS	341,842	(68,565)	(84,000,670)	-	-	-	(83,727,393)
Net assets, beginning of the year	11,241,175	73,754	98,816,752	-	(128,779)	128,779	110,131,681
Net assets, end of the year	\$ 11,583,017	\$ 5,189	\$ 14,816,082	\$ -	\$ (128,779)	\$ 128,779	\$ 26,404,288

Pact, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES

September 30, 2022

	Inc	UK	PGMF	Microfinance Holding Co.	Pact Ventures LLC	Eliminations	Total
Support and revenue							
Support:							
Grants and contracts	\$ 159,356,199	\$ 3,098,727	\$ -	\$ -	\$ -	\$ -	\$ 162,454,926
Contributions	187,725	300,089	-	448	-	(300,000)	188,262
Investment income (loss)	(512,337)	-	-	-	-	-	(512,337)
Other revenue	352,184	429	-	-	-	-	352,613
Total support and revenue	159,383,771	3,399,245	-	448	-	(300,000)	162,483,464
Expenses							
Program services	137,426,825	2,829,206	-	-	-	-	140,256,031
Total program services	137,426,825	2,829,206	-	-	-	-	140,256,031
Supporting service:							
Management and general	22,003,515	787,368	-	-	-	-	22,790,883
Fundraising	1,417	-	-	-	-	-	1,417
Total supporting expenses	22,004,932	787,368	-	-	-	-	22,792,300
Total expenses	159,431,757	3,616,574	-	-	-	-	163,048,331
Change in net assets before other gains and losses	(47,986)	(217,329)	-	448	-	(300,000)	(564,867)
Other gains and losses							
Bad debt expense	(5,704,400)	-	-	-	-	5,702,717	(1,683)
Contribution expense	(300,000)	-	-	-	-	300,000	-
Loss from discontinued operations - PGMF	-	-	(28,735,680)	-	-	(5,702,717)	(34,438,397)
	(6,004,400)	-	(28,735,680)	-	-	300,000	(34,440,080)
CHANGE IN NET ASSETS	(6,052,386)	(217,329)	(28,735,680)	448	-	-	(35,004,947)
Net assets, beginning of the year	17,293,561	291,083	127,552,432	(447)	(128,779)	128,778	145,136,628
Net assets, end of the year	\$ 11,241,175	\$ 73,754	\$ 98,816,752	\$ 1	\$ (128,779)	\$ 128,778	\$ 110,131,681

Pact, Inc. and Affiliates

SCHEDULE OF FUNCTIONAL EXPENSES - PACT, INC.

September 30, 2023

	Program Services						Supporting Services			
	USAID Funded Directly	USAID Funded Indirectly	Other Federal	Non-Federal	Unrestricted Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and related expense	\$ 16,550,676	\$ 5,026,144	\$ 1,547,297	\$ 3,770,784	\$ 136,308	\$ 27,031,209	\$ 12,965,715	\$ 1,637	\$ 12,967,352	\$ 39,998,561
Fringe benefit	5,198,238	1,420,536	492,495	1,100,191	126,012	8,337,472	3,443,063	433	3,443,496	11,780,968
Allowances	336,126	275,857	9,171	57,767	2,389	681,310	1,764	-	1,764	683,074
Consultant fees	1,443,223	618,873	205,547	1,319,176	14,206	3,601,025	398,952	-	398,952	3,999,977
Travel	2,387,048	615,890	161,510	393,392	19,562	3,577,402	622,076	-	622,076	4,199,478
Vehicles and equipment	2,486,992	38,502	72,025	335,515	-	2,933,034	39,744	-	39,744	2,972,778
Supplies and other	1,224,170	255,721	115,399	183,948	32,058	1,811,296	1,664,592	1,048	1,665,640	3,476,936
Banking and professional fees	2,739,782	308,236	60,357	488,895	28,596	3,625,866	956,796	-	956,796	4,582,662
Occupancy	1,231,336	291,052	83,236	345,971	1	1,951,596	3,563,800	-	3,563,800	5,515,396
Training and conferences	4,877,248	681,658	604,585	1,106,995	34,473	7,304,959	127,864	-	127,864	7,432,823
Depreciation	-	-	-	-	-	-	273,521	-	273,521	273,521
Interest	10	(4)	70	1	27	104	16,361	-	16,361	16,465
Affiliate admin cost recovery	-	-	-	-	-	-	(596,944)	-	(596,944)	(596,944)
	<u>38,474,849</u>	<u>9,532,465</u>	<u>3,351,692</u>	<u>9,102,635</u>	<u>393,632</u>	<u>60,855,273</u>	<u>23,477,304</u>	<u>3,118</u>	<u>23,480,422</u>	<u>84,335,695</u>
Subgrants and subcontracts	<u>55,437,856</u>	<u>6,484,923</u>	<u>1,202,164</u>	<u>5,988,716</u>	<u>1,285</u>	<u>69,114,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,114,944</u>
	<u>93,912,705</u>	<u>16,017,388</u>	<u>4,553,856</u>	<u>15,091,351</u>	<u>394,917</u>	<u>129,970,217</u>	<u>23,477,304</u>	<u>3,118</u>	<u>23,480,422</u>	<u>153,450,639</u>
Bad debt expense	-	-	-	90,263	-	90,263	-	-	-	90,263
Contribution expense	-	-	-	-	-	-	72,250	-	72,250	72,250
Lease impairment loss	-	-	-	-	-	-	1,941,940	-	1,941,940	1,941,940
	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,263</u>	<u>-</u>	<u>90,263</u>	<u>2,014,190</u>	<u>-</u>	<u>2,014,190</u>	<u>2,104,453</u>
	<u>\$ 93,912,705</u>	<u>\$ 16,017,388</u>	<u>\$ 4,553,856</u>	<u>\$ 15,181,614</u>	<u>\$ 394,917</u>	<u>\$ 130,060,480</u>	<u>\$ 25,491,494</u>	<u>\$ 3,118</u>	<u>\$ 25,494,612</u>	<u>\$ 155,555,092</u>

Pact, Inc. and Affiliates

SCHEDULE OF FUNCTIONAL EXPENSES - PACT, INC.

September 30, 2022

	Program Services						Supporting Services			
	USAID Funded Directly	USAID Funded Indirectly	Other Federal	Non-Federal	Unrestricted Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and related expense	\$ 19,873,076	\$ 5,366,548	\$ 1,130,893	\$ 4,207,479	\$ 154,044	\$ 30,732,040	\$ 12,359,074	\$ 1,013	\$ 12,360,087	\$ 43,092,127
Fringe benefit	5,814,065	1,535,136	339,575	1,125,634	81,704	8,896,114	3,290,997	267	3,291,264	12,187,378
Allowances	672,020	236,018	21,906	230,054	5,963	1,165,961	992	-	992	1,166,953
Consultant fees	844,753	466,721	87,128	1,175,792	33,866	2,608,258	452,360	-	452,360	3,060,618
Travel	2,144,476	566,274	106,474	405,076	5,369	3,227,669	512,163	-	512,163	3,739,831
Vehicles and equipment	907,371	101,157	42,844	219,931	4,422	1,275,726	125,965	-	125,965	1,401,691
Supplies and other	1,453,799	305,627	28,079	161,880	116,000	2,065,385	1,391,422	-	1,391,422	3,456,807
Banking and professional fees	1,316,262	246,656	35,517	191,511	45,388	1,835,335	1,110,564	137	1,110,701	2,946,035
Occupancy	1,667,875	395,130	54,337	340,030	1,142	2,458,514	2,729,585	-	2,729,585	5,188,099
Training and conferences	7,064,930	1,121,833	157,219	1,474,755	44,025	9,862,762	113,411	-	113,411	9,976,173
Depreciation	250	-	-	50	-	300	334,918	-	334,918	335,218
Interest	-	-	-	-	42	42	169,584	-	169,584	169,626
Affiliate admin cost recovery	-	-	-	-	-	-	(587,521)	-	(587,521)	(587,521)
	<u>41,758,877</u>	<u>10,341,100</u>	<u>2,003,972</u>	<u>9,532,191</u>	<u>491,964</u>	<u>64,128,105</u>	<u>22,003,515</u>	<u>1,417</u>	<u>22,004,933</u>	<u>86,133,037</u>
Subgrants and subcontracts	<u>56,525,964</u>	<u>11,108,139</u>	<u>822,326</u>	<u>4,841,254</u>	<u>1,037</u>	<u>73,298,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,298,720</u>
	<u>98,284,841</u>	<u>21,449,239</u>	<u>2,826,298</u>	<u>14,373,446</u>	<u>493,002</u>	<u>137,426,825</u>	<u>22,003,515</u>	<u>1,417</u>	<u>22,004,933</u>	<u>159,431,757</u>
Bad debt expense	-	-	-	-	1,683	1,683	5,702,717	-	5,702,717	5,704,400
Contribution expense	-	-	-	-	-	-	300,000	-	300,000	300,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,683</u>	<u>1,683</u>	<u>6,002,717</u>	<u>-</u>	<u>6,002,717</u>	<u>6,004,400</u>
	<u>\$ 98,284,841</u>	<u>\$ 21,449,239</u>	<u>\$ 2,826,298</u>	<u>\$ 14,373,446</u>	<u>\$ 494,685</u>	<u>\$ 137,428,508</u>	<u>\$ 28,006,232</u>	<u>\$ 1,417</u>	<u>\$ 28,007,650</u>	<u>\$ 165,436,157</u>

Pact, Inc. and Affiliates

SCHEDULE OF FUNCTIONAL EXPENSES - PACT UK

September 30, 2023

	Program Services	Management and General	Total Expenses
Salaries and related expense	\$ 607,947	\$ 25,364	\$ 633,311
Fringe benefits	193,959	6,713	200,672
Allowances	513	-	513
Consultant fees	114,593	-	114,593
Travel	103,068	-	103,068
Vehicles and equipment	34,656	-	34,656
Supplies and others	61,863	-	61,863
Banking and professional fees	38,044	3,207	41,251
Occupancy	52,330	-	52,330
Training and conferences	659,041	-	659,041
Affiliate admin cost recovery	<u>-</u>	<u>596,944</u>	<u>596,944</u>
	1,866,014	632,228	2,498,242
Subgrants and subcontracts	<u>367,245</u>	<u>-</u>	<u>367,245</u>
	<u><u>\$ 2,233,259</u></u>	<u><u>\$ 632,228</u></u>	<u><u>\$ 2,865,487</u></u>

Pact, Inc. and Affiliates

SCHEDULE OF FUNCTIONAL EXPENSES - PACT UK

September 30, 2022

	Program Services	Management and General	Total Expenses
Salaries and related expense	\$ 865,722	\$ 99,832	\$ 965,553
Fringe benefits	306,683	26,429	333,112
Consultant fees	122,220	6,815	129,035
Travel	98,590	-	97,857
Vehicles and equipment	82,098	-	82,098
Supplies and others	230,831	22,214	253,778
Banking and professional fees	22,191	43,774	65,965
Occupancy	71,637	788	72,425
Training and conferences	517,804	-	517,804
Affiliate admin cost recovery	-	587,521	587,521
	<u>2,317,776</u>	<u>787,372</u>	<u>3,105,147</u>
Subgrants and subcontracts	<u>511,429</u>	<u>-</u>	<u>511,429</u>
	<u><u>\$ 2,829,206</u></u>	<u><u>\$ 787,372</u></u>	<u><u>\$ 3,616,577</u></u>

Pact, Inc. and Affiliates

SCHEDULE OF PROGRAM EXPENDITURES AND CASH RECEIVED OF NON-U.S. FEDERAL GOVERNMENT AWARDS – PACT INC. AND PACT UK

Year ended September 30, 2023

Funding Agency	Pact Ref.	Program or Project	Expenditures	Cash Received (Refunded)
EPRM Mauritania Gold	B1953	EPRM Mauritania Gold	\$ 138,330	\$ 123,216
European Union	B3001	SEEK II	1,609,576	113,594
European Union	B3809	RASMI	-	75,385
British Council	B3852	CSSP2	446,958	663,045
London Metals Exchange	B3950	Reducing Child Labour in Zambia ASM	301,916	273,000
The European Commission	B3962	RASMI II	711	190,370
PEAR	PY004	Facebook Trainers Under We Act	12,108	-
World Bank	Z1002	State of the Artisanal & Small-Scale Mining Sector	242,740	303,829
JDE	Z1003	JDE Collaboration to Establish Carbon Footprint	16,808	-
Nestle	Z1004	Nestle Collaboration to Establish Carbon Footprint	22,403	-
Lavazza	Z1005	Lavazza Collaboration to Establish Carbon Ftpint	36,337	50,000
World Bank	Z1006	EGPS ASM Conference in Nairobi	5,107	5,183
ITA	Z1007	ITA Global ITSCI Follow On 2023	6,180,014	5,143,898
Costa Coffee	Z1008	Costa Coffee funds under GIA	25,523	25,000
Geological Institute of America, Inc.	Z1806	GIA Regional M2M Program	205,137	164,617
Tiffany and Company	Z1955	Strengthening ASM Across Africa	63,317	-
IKEA	Z2001	IKEA GF_Service Order 1_Responsible Cobalt Sourc	33,638	36,432
Trafigura	Z3023	DRC- Rubamin 2021 Capacity Development Program	-	18,076
World Bank	Z3030	Scaling Up and Out: Innovating Gemstone SC	63	30,000
ITA	Z3114	ITA DRC ITA Supply Chain Initiative (ITSCI) 2022	1,966,417	2,415,849
Shell International	Z3115	Capacity Building Support for Productive Use	103,664	-
Brilliant Earth Foundation	Z3116	Brilliant Earth Kenya Moyo Gems RMTW	234,605	200,000
Trafigura	Z3117	DRC Trafigura Artisanal Small-Scale Mining Cobalt	525,792	721,091
Geological Institute of America, Inc.	Z3118	GIA Kenya Gemology Guidebook, and OHS Training	34,947	38,693
3M	Z3119	3M Addressing Child Labor in Cobalt ASM in DRC	40,331	-
Trafigura	Z3120	CHEMAF DRC ASM-LSM Partnership	32,164	99,839
Brilliant Earth LLC	Z3121	Tanzania Moyo Gems Photography and Communications	9,663	13,674
Dutch Ministry of Foreign Affairs	Z3122	Atelier Project: Sparkling from mine to consumer	13,057	20,168
Apple	Z3123	Apple DRC Addressing Child Labor Program Phase 7	337,070	377,356
Hilton Foundation	Z3124	TZ Early Childhood Development	513,936	1,073,000
Responsible Business Alliance	Z3125	Responsible Business Alliance DRC Apprenticeships	303,936	326,334
IKEA	Z3126	IKEA Rwanda Illuminating ASM Phase 2	16,100	630,107
Silicon Valley Community Foundation	Z3127	Brilliant Earth Moyo Gems TAWOMA Lapidary Eq Suppo	3,865	20,480
Apple	Z3447	Program Addressing Child Labor Artisanal Mining	137,971	-
Responsible Business Alliance	Z3898	Apple/RBA Apprenticeship Program-Works 2	157,840	-
David and Lucile Packard Foundation	Z3924	Organizational Development Implementation Project	33,637	-
David and Lucile Packard Foundation	Z3947	Organizational Development Implementation Project	96,396	-
AOC International B.V.	Z3948	Capacity Building for Artisanal Mining in the Grea	60,399	52,996
Deutsche Gesellschaft fur Intr Zusammenarbeit	Z3951	Piloting NAP implementation in Sierra Leone	9,581	22,227
3M	Z3964	DRC 3M Youth Vocational Training II	23,741	75,000
The Coca Cola Foundation	Z4011	The Empowerment for People in Need (E4PIN) project	453,154	199,752
WorldFish	Z4100	Tracking and Sharing Multi-Sector Issues with Tech	214,040	160,057
Foreign, Commonwealth & Development Office	Z4104	Ukraine Supporting Women, Peace and Security	906,998	1,118,029
Chevron	Z4105	Chevron Indonesia Aquaculture - Myanmar Funds Reap	244,092	233,403
GEAPP	Z4106	GEAPP Myanmar (SPM) Follow On	262,356	3,268,314
Khmer Enterprise	Z4107	Enterprise Financial Day	7,478	10,068
Global Affairs Canada	Z4867	Women's Voice and Leadership Program	796,925	814,903
Rockefeller Foundation	Z4905	SPM Data Concept	350,687	-
Chevron Corporation	Z4911	Yaung Chi	(33)	-
Global Affairs Canada	Z4917	Women Included: Nuturing Growth & Security (WINGS)	1,210,848	1,347,049
Rockefeller Foundation	Z4949	SPM Follow-on	2,144,621	1,000,000
Stiching Aids Fonds	ZY006	Hosting-Program Manager Policy & Advocacy US	191,158	187,804
Total			\$ 20,778,122	\$ 21,641,838

Pact, Inc. and Affiliates

SCHEDULE OF PROGRAM EXPENDITURES AND CASH RECEIVED OF NON-U.S. FEDERAL GOVERNMENT AWARDS – PACT INC. AND PACT UK

Year ended September 30, 2022

Funding Agency	Pact Ref.	Program or Project	Expenditures	Cash Received (Refunded)
EPRM Mauritania Gold	B1953	EPRM Mauritania Gold	\$ 202,622	\$ 268,824
European Union	B3001	SEEK II	1,228,079	1,759,989
European Union	B3809	RASMI	(3,105)	28,942
European Union	B3818	SElam, EKisil (SEEK)	(4,777)	17,066
British Council	B3852	CSSP2	222,677	475,201
London Metals Exchange	B3950	Reducing Child Labour in Zambian ASM	385,430	-
The European Commission	B3962	RASMI II	656,871	-
Department for International Development (DFID)	B4786	Nepal's National Health Sector Program III-Monitor	363,707	399,084
Foreign, Commonwealth and Development Office	B4799	SPACE	6	-
World Bank	Z1002	State of the Artisanal & Small-Scale Mining Sector	42,827	33,271
JDE	Z1003	JDE Collaboration to Establish Carbon Footprint	32,511	-
Geological Institute of America, Inc.	Z1806	GIA Regional M2M Program	972	-
Tiffany and Company	Z1955	Strengthening ASM Across Africa	220,408	150,000
IKEA	Z2001	IKEA GF_Service Order 1_ Responsible Cobalt Sourc	47,274	-
Trafigura	Z3023	DRC- Rubamin 2021 Capacity Development Program	41,390	42,178
World Bank	Z3030	Scaling Up and Out: Innovating Gemstone SC	226,477	220,000
Deutsche Gesellschaft fur Intr Zusammenarbeit	Z3043	Ethiopia Cash Transfers Program-Cash for Community	1,260,512	-
IKEA	Z3080	IKEA Rwanda Illuminating ASM Phase 1	185,846	-
ITA	Z3114	ITA DRC ITA Supply Chain Initiative (ITSCI) 2022	4,999,734	4,533,802
Shell International	Z3115	Capacity Building Support for Productive Use	176,526	315,952
Brilliant Earth Foundation	Z3116	Brilliant Earth Kenya Moyo Gems RMTW	60,012	190,000
Trafigura	Z3117	DRC Trafigura Artisanal Small-Scale Mining Cobalt	735,061	830,435
Geological Institute of America, Inc.	Z3118	GIA Kenya Gemology Guidebook, and OHS Training	93,135	116,078
3M	Z3119	3M Addressing Child Labor in Cobalt ASM in DRC	18,151	75,000
Trafigura	Z3120	CHEMAF DRC ASM-LSM Partnership	60,162	-
Apple	Z3447	Program Addressing Child Labor Artisanal Mining	367,386	347,892
Rio Tinto	Z3776	Rise Phase II	106,729	79,824
Global Fund To Fight AIDS, Tuberculosis and Malar	Z3840	Multi-Sectoral Response TBHIV	60,384	-
Trafigura Foundation	Z3842	WIM Malemba-Nkulu	3,717	10,000
Trafigura Foundation	Z3849	WIM Kolwezi - Mutoshi	20,826	14,472
Responsible Business Alliance	Z3898	Apple/RBA Apprenticeship Program-Works 2	442,887	373,000
David and Lucile Packard Foundation	Z3924	Organizational Development Implementation Project	77,317	-
Department of Social Development	Z3930	DSD Government to Government Project	(192)	3,367
Trafigura	Z3944	ASM Cobalt Sector Intervention (ECG)	766,195	775,486
David and Lucile Packard Foundation	Z3947	Organizational Development Implementation Project	80,088	36,721
AOC International B.V.	Z3948	Capacity Building for Artisanal Mining in the Grea	44,492	53,200
Deutsche Gesellschaft fur Intr Zusammenarbeit	Z3951	Piloting NAP implementation in Sierra Leone	222,719	135,890
International Tin Association Ltd	Z3952	ITSCI Framework Agreement for Services	1,641,766	2,259,491
The Coca Cola Foundation	Z4011	The Empowerment for People in Need (E4PIN) project	307,838	400,000
United Nations Children's Fund	Z4020	Unilever Donation of Essential Food Packages	535	-
WorldFish	Z4100	Tracking and Sharing Multi-Sector Issues with Tech	138,965	120,000
The Coca Cola Foundation	Z4103	Myanmar Donation of Basic Food and WASH supplies	57,121	56,922
Foreign, Commonwealth and Development Office	Z4104	Ukraine Supporting Women, Peace and Security	205,755	-
Chevron	Z4105	Chevron Indonesia Aquaculture - Myanmar Funds Reap	1,686	-
Rockefeller Foundation	Z4829	Smart Power Myanmar Facility	15	-
The Coca Cola Foundation	Z4836	Swan Yi III	(7)	-
Global Affairs Canada	Z4867	Women's Voice and Leadership Program	793,729	715,653
Rockefeller Foundation	Z4905	SPM Data Concept	244,010	-
Chevron Corporation	Z4911	Yaung Chi	221,133	-
Global Affairs Canada	Z4917	Women Included: Nurturing Growth and Security (WINGS)	1,150,077	489,645
International Center for Living Aquatic Resources	Z4918	Small-Scale Aquaculture Investments for Livelihood	35	29,378
Rockefeller Foundation	Z4949	SPM Follow-on	2,179,225	2,500,000
Lowell Mineral Explo	Z5009	Pact Support to Solaris - Warintza Model ASM Strat	54,469	81,423
Stiching Aids Fonds	ZY006	Hosting-Program Manager Policy & Advocacy US	185,073	-
The Shell Company of Thailand Limited	ZY012	Shell Thailand - Access to Energy and Water Resour	24,745	41,168
Total			\$ 20,651,225	\$ 17,979,353