

# Consolidated Financial Statements and Report of Independent Certified Public Accountants

## **Pact, Inc. and Affiliates**

September 30, 2024 with 2023 Summarized  
Comparative Information

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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, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year 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 consolidated financial position of Pact as of September 30, 2024, and the changes in its net assets and its cash flows for the year 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.

**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 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 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 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 the Company'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 the Company'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 an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position as of September 30, 2024 and the Consolidating Schedule of Activities for the year ended September 30, 2024 are presented for purposes of additional analysis, rather than to present the financial position and results of operations of the individual entities and are not a required part of the consolidated financial statements. The Schedules of Functional Expenses - Pact, Inc., Functional Expenses - Pact UK, Program Expenditures, Cash Received of Non-US Federal Government Awards - Pact, Inc., Pact UK and the Functional Expenses - Pact Global Microfinance Fund, for the year ended September 30, 2024 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 2023 summarized comparative information**

We have previously audited Pact's 2023 consolidated financial statements and 2023 supplementary information in relation to the consolidated financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements and 2023 supplementary information in relation to the consolidated financial statements in our report dated May 17, 2024. In our opinion, the accompanying summarized comparative information as of and for the year ended September 30, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Grant Thornton LLP*

Arlington, Virginia  
June 30, 2025

**Pact, Inc. and Affiliates**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**September 30,**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 95,112,082	\$ 111,332,175
Investments	3,818,935	3,193,162
Federal grants receivable	16,340,869	11,437,514
Other grants receivable	264,277	1,815,208
Advances and other receivables	758,016	1,564,468
Prepaid expenses and deposits	1,738,853	1,048,167
Notes receivable	156,370	156,370
Loan portfolio, net of loan loss reserve	-	37,886
Property and equipment, net	1,467,220	1,617,051
Right-of-use assets - operating	17,972,827	19,483,923
	<u>\$ 137,629,449</u>	<u>\$ 151,685,924</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 26,833,475	\$ 19,649,923
Beneficiary savings and reserved funds	-	311,860
Due to United Nations Development Programme and Others	-	26,086,231
Notes payable	40,945,900	40,945,900
Refundable advances - federal	6,996,677	7,629,526
Refundable advances - other	1,665,588	3,345,948
Lease liabilities - operating	25,063,482	27,312,248
	<u>101,505,122</u>	<u>125,281,636</u>
Commitments and contingencies		
Net assets without donor restrictions	30,376,162	22,426,085
Net assets with donor restrictions	5,748,165	3,978,203
	<u>36,124,327</u>	<u>26,404,288</u>
Total net assets	<u>\$ 137,629,449</u>	<u>\$ 151,685,924</u>
Total liabilities and net assets	<u>\$ 137,629,449</u>	<u>\$ 151,685,924</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, 2024 with comparative totals for 2023

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
<b>Support and revenue</b>				
Grants and contracts	\$ 176,494,449	\$ -	\$ 176,494,449	\$ 153,219,484
Contributions	41,839	3,901,079	3,942,918	3,665,322
Interest income on PGFM cash	5,452,525	-	5,452,525	-
Investment return	609,773	-	609,773	425,340
Other revenue	1,992,227	162,181	2,154,408	1,117,689
Net assets released from restrictions	2,293,298	(2,293,298)	-	-
Total support and revenue	186,884,111	1,769,962	188,654,073	158,427,835
<b>Expenses</b>				
Program services	152,802,162	-	152,802,162	132,203,476
Supporting services				
Management and general	26,118,561	-	26,118,561	24,109,532
Fundraising	1,542	-	1,542	3,118
Total supporting services	26,120,103	-	26,120,103	24,112,650
Total expenses	178,922,265	-	178,922,265	156,316,126
Change in net assets before other gains and losses	7,961,846	1,769,962	9,731,808	2,111,709
<b>Other gains and (losses)</b>				
Bad debt expense	(11,769)	-	(11,769)	(90,263)
Contribution expense	-	-	-	(2,250)
Lease impairment loss	-	-	-	(1,941,940)
<b>CHANGE IN NET ASSETS FROM CONTINUING OPERATIONS</b>	7,950,077	1,769,962	9,720,039	77,256
Loss from discontinued operations - PGMF	-	-	-	(83,804,649)
<b>CHANGE IN NET ASSETS</b>	7,950,077	1,769,962	9,720,039	(83,727,393)
<b>Net assets, beginning of year</b>	22,426,085	3,978,203	26,404,288	110,131,681
<b>Net assets, end of year</b>	\$ 30,376,162	\$ 5,748,165	\$ 36,124,327	\$ 26,404,288

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

Pact, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2024

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Salaries and related expenses	\$ 27,867,124	\$ 13,804,191	\$ 465	\$ 13,804,656	\$ 41,671,780
Fringe benefits	10,563,020	3,790,009	129	3,790,138	14,353,158
Allowances	452,242	5,097	-	5,097	457,339
Consultant fees	3,715,784	214,876	-	214,876	3,930,660
Travel	5,898,082	740,960	-	740,960	6,639,042
Vehicles and equipment	1,566,094	31,683	-	31,683	1,597,777
Supplies and other	3,210,895	1,695,547	948	1,696,495	4,907,390
Banking and professional fees	3,855,580	1,456,055	-	1,456,055	5,311,635
Occupancy	1,982,254	3,822,489	-	3,822,489	5,804,743
Training and conferences	12,715,338	111,447	-	111,447	12,826,785
Depreciation	-	262,551	-	262,551	262,551
Interest	-	183,657	-	183,657	183,657
Total expenses before subgrants and subcontracts	71,826,413	26,118,562	1,542	26,120,104	97,946,517
Subgrants and subcontracts	80,987,517	-	-	-	80,987,517
	<u>\$ 152,813,930</u>	<u>\$ 26,118,562</u>	<u>\$ 1,542</u>	<u>\$ 26,120,104</u>	<u>\$ 178,934,034</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, 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 STATEMENTS OF CASH FLOWS**

**Years ended September 30,**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Change in net assets from continuing operations	\$ 9,720,039	\$ 77,261
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in net assets from discontinued operations	-	(83,804,649)
Depreciation	262,551	273,521
Bad debt expenses	11,769	90,263
Gain on disposal of equipment	(18,500)	(6,538)
Unrealized gain on investment	(529,550)	(197,555)
Realized loss (gain) on investment	7,917	(42,238)
Lease impairment	-	1,941,940
Non-cash lease expense	2,120,934	1,886,949
Forgiveness of interest	(709,749)	-
Changes in assets and liabilities:		
Federal grants receivable	(4,903,355)	(7,339,788)
Other grants receivable	1,550,931	(309,823)
Advances and other receivables	806,452	(750,646)
Loans and notes receivable	182,487	80,909
Prepaid expense, deposits, other	(690,686)	126,718
Accounts payable and accrued expenses	7,581,441	(1,755,232)
Refundable advances - federal	(632,849)	3,644,971
Refundable advances - other	(1,680,360)	(2,255,079)
Change in lease liabilities - operating	(2,858,604)	(1,475,737)
Net cash flows from operating activities - discontinued operations	-	(419,096)
Net cash provided by (used in) operating activities	10,220,868	(90,233,849)
<b>Cash flows from investing activities</b>		
Purchases of investments	(699,705)	(230,833)
Proceeds from sales of investments	439,195	148,515
Purchase of property and equipment	(94,220)	(12,700)
Proceeds from sales of PP&E	-	6,538
Net cash flows from investing activities - discontinued operations	-	137,368,327
Net cash (used in) provided by investing activities	(354,730)	137,279,847
<b>Cash flows from financing activities</b>		
Proceeds from short term borrowing	-	2,000,000
Payment to United Nations Development Programme and Others	(26,086,231)	-
Net cash flows from financing activities - discontinued operations	-	(10,391,107)
Net cash used in financing activities	(26,086,231)	(8,391,107)
Effect of exchange rates on cash - discontinued operations	-	(54,587)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(16,220,093)</b>	<b>38,600,304</b>
<b>Cash and cash equivalents</b>		
Beginning	111,332,175	30,516,116
Cash and cash equivalents (to)/from discontinued operations	-	42,215,755
Ending	<u><u>\$ 95,112,082</u></u>	<u><u>\$ 111,332,175</u></u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest	<u><u>\$ 183,657</u></u>	<u><u>\$ 4,410,816</u></u>

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

**Pact, Inc. and Affiliates**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**September 30, 2024 and 2023**

**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"), Engaged Communities Co. Limited by Guarantee, 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, 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 facilitated access to microfinance services for the poor using a group lending methodology that stimulated small business ventures through a range of basic small business development support services. From 1997-2023, PGMF's microfinance operations reached nearly two million individuals. Due to government restrictions, PGMF's microfinance operations closed on June 30, 2023. PGMF is finalizing notes payables re-payment with lenders. 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. Pact UK is a registered charity, number 1165725, in the UK. Pact UK ceased 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 2024 and 2023.

Engaged Communities Co. Limited by Guarantee was established in Myanmar on November 27, 2023. It was created to strengthen local communities and help transform their long-term economic potential, including but not limited to accelerating the adoption of distributed renewable energy solutions; unlocking local currency financing for SME energy access; improving healthcare for vulnerable populations; and promoting job stability and livelihood resilience.

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").

***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.

## **Pact, Inc. and Affiliates**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

*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 \$78 million and \$94 million of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2024 and 2023, 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 U.S. GAAP. Accordingly, such information should be read in conjunction with our audited financial statements for the year ended September 30, 2023, 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, 2024 and 2023.

#### ***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

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

uncollectible. There was no provision for doubtful advance and other receivables accounts at September 30, 2024 and 2023.

***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 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 is discounted based on the organization's borrowing rate at either the adoption of Accounting Standards Codification ("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.

***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

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

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.

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.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions.

***Interest Income***

Interest income from PGMF cash accounts is recognized on an accrual basis, in the period in which it is earned.

***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***

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 on the first of the month of the transaction. Losses from foreign currency transactions are included in expenses on the consolidated statements of activities and totaled \$543,845 and \$51,467 for the years ended September 30, 2024 and 2023, respectively. The losses reported for 2023 exclude the impact of foreign currency activity related to PGMF, as the operations of PGMF were classified as discontinued operations in the consolidated statement of activities in 2023.

***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 Affiliates**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

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.

#### ***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.

#### ***Recently Adopted Accounting Pronouncements***

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), which amends guidance on credit losses relating to assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. For available for sale debt securities, Topic 326 requires credit losses be presented as an allowance rather than as a write-down. While Pact adopted ASU 2016-13 as of October 1, 2023 using the modified retrospective basis, it had no material impact on the consolidated financial statements.

#### ***Reclassifications***

Certain items in the 2023 financial statements have been reclassified to correspond to the presentation in the 2024 financial statements. The reclassifications had no impact on the net assets as of September 30, 2024.

### **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.

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.

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

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, 2024 and 2023.

The following table presents Pact's fair value hierarchy for those assets measured at fair value on a recurring basis as of September 30, 2024 and 2023:

Description	2024			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed income - short-term bond	\$ 935,242	\$ -	\$ -	\$ 935,242
Fixed income - intermediate term bond	929,259	-	-	929,259
Equity - large value	1,106,502	-	-	1,106,502
Equity - diversified emerging markets	258,690	-	-	258,690
Equity - world stock	469,535	-	-	469,535
Equity - information technology sector	96,377	-	-	96,377
	3,795,605	-	-	3,795,605
Note investment	-	-	156,370	156,370
Money market funds	23,330	-	-	23,330
	<u>\$ 3,818,935</u>	<u>\$ -</u>	<u>\$ 156,370</u>	<u>\$ 3,975,305</u>
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>



**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

Investment income (loss) consists of the following for the years ended September 30, 2024 and 2023:

	2024	2023
Interest and dividends	\$ 104,140	\$ 201,547
Realized and unrealized gain on investments	521,633	239,793
Investment fees	(16,000)	(16,000)
	<u>\$ 609,773</u>	<u>\$ \$425,340</u>

**NOTE 3 - ADVANCES AND OTHER RECEIVABLES**

Advances and other receivables consist of the following at September 30, 2024 and 2023:

	2024	2023
Subrecipient advances	\$ 705,616	\$ 861,104
Employee advances	16,022	41,547
Other receivables	36,375	661,817
	<u>\$ 758,016</u>	<u>\$ 1,564,468</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment and accumulated depreciation at September 30, 2024 and 2023, and depreciation expense for the years ended September 30, 2024 and 2023, are as follows:

2024					
Asset Category	Estimated Lives (Years)	Cost	Accumulated Depreciation	Net	Depreciation Expense
Software	3	\$ 3,018,245	\$ (2,956,143)	\$ 62,102	\$ 42,708
Leasehold improvements	11	767,257	(387,724)	379,533	36,147
Property and equipment	3-10	3,105,709	(2,080,124)	1,025,585	183,696
		<u>\$ 6,891,211</u>	<u>\$ (5,423,991)</u>	<u>\$ 1,467,220</u>	<u>\$ 262,551</u>
2023					
Asset Category	Estimated Lives (Years)	Cost	Accumulated Depreciation	Net	Depreciation Expense
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>

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

**NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consist of the following at September 30, 2024 and 2023:

	2024	2023
Accrued personnel expenses	\$ 6,213,593	\$ 5,220,764
Accounts payable and accrued expenses	20,619,882	14,429,159
	<hr/>	<hr/>
Total accounts payable and accrued expenses	\$ 26,833,475	\$ 19,649,923
	<hr/>	<hr/>

**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 \$1,912,963 and \$1,837,160, for the years ended September 30, 2024 and 2023, respectively.

**NOTE 7 - LEASES**

Upon adoption, the Organization recorded the opening operating 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 as of September 30, 2024 and 2023 totaled \$623,967 and \$750,404, respectively. Cash paid for leases totaled \$4.6 million and \$3.2 million during 2024 and 2023, respectively. During 2023, Pact recorded an impairment loss on an office space operating lease located in Washington, DC of \$1.9 Million.

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, 2024:

Year Ending September 30:

2025	\$ 4,918,988
2026	3,188,084
2027	2,717,963
2028	2,761,374
2029	2,830,197
Thereafter	<hr/> 17,138,973
Total undiscounted cash flows	33,555,580
Less: present value discount	<hr/> (8,492,098)
Lease liabilities - operating	<hr/> \$ 25,063,482
	<hr/>

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

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>
2025	\$ 952,516
2027	169,910
Total commitment	<u>\$ 1,122,426</u>

The components of lease cost for the years ended September 30, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 4,395,783	\$ 3,525,077
Short-term lease cost	469,506	1,150,248
Variable costs	536,389	458,010
Total lease cost	<u>\$ 5,401,678</u>	<u>\$ 5,133,515</u>

The following table represents the weighted-average remaining lease term and discount rate as of September 30, 2024 and 2023, respectively:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term (years)	8.6	9.6
Weighted average discount rate	6.5%	6.5%

**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. The project ended in November 2023.

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 \$577,846 and \$535,926 as of September 30, 2024 and 2023, respectively and are included with accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

No losses were incurred, and the guarantee funds were not used by these financial institutions during FY 2024 or FY 2023.

**NOTE 9 - MAJOR GRANTOR**

During the years ended September 30, 2024 and 2023, 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, 2024 and 2023, approximately 69% and 60%, respectively, of total revenue was related to grants funded directly by USAID. Receivables from USAID as of September 30, 2024 and 2023 totaled 98%, for each year respectively of total federal grants receivable. Another 4% and 13% of Pact's revenues in the fiscal years ended September 30, 2024 and 2023, respectively, were funded indirectly by USAID through subawards and subcontracts from other development partners that Pact engaged with during both fiscal years 2024 and 2023.

**NOTE 10 - CONDITIONAL GRANTS AND CONTRIBUTIONS**

Conditional promises to give are not recognized until all conditions are substantially met. As of September 30, 2024, Pact had approximately \$177.0 million in unrecognized conditional grants and contributions, of which \$161.9 million was related to federal grants. As of September 30, 2023, Pact had approximately \$184.7 million in unrecognized conditional grants and contributions, of which \$175.4 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 contracts 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 \$191,757 and \$1,725,317 for the years ended September 30, 2024 and 2023, respectively. Pact's contract receivable balance as of September 30, 2024 and 2023 was \$5,405 and \$0, respectively and is included with federal grants receivables in the statements of financial position. Pact's receivable balance as of September 30, 2022 was \$237,763. Deferred revenue for contracts which is recognized within other refundable advances on the statement of financial position was \$0 and \$162,249 on September 30, 2024 and 2023, 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 for \$3 million, that was renewed on April 12, 2024 and expired on April 13, 2025. Starting on April 12, 2014, the line bears interest at the 30-Day Term Secured Overnight Financing Rate (SOFR) plus 2.6 percentage points, and before April 12, 2014, the line of credit bore an interest rate of Prime Rate plus 1.0% (subject to a floor of 4.25%). The line of credit is secured by Pact's assets. The interest rate at September 30, 2024 and 2023, was 7.7% and 9.5%. The line of credit had a balance of \$2 million at September 30, 2024 and 2023. This line of credit is included in notes payable

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

on the consolidated statements of financial position. Pact Inc. paid back the \$2 million loan on the line of credit in April 2025.

**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 Hiuttaw 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 transferred 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. During 2024, the funds were fully paid to the UNDP.

**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, 2024 and 2023</u>	<u>Interest Rate</u>
BIO	5/20/2020	3/3/2025	\$ 6,761,817	16.00%
MEF	2/7/2020	2/7/2020	3,106,714	16.00%
JAWEF	2/27/2020	2/27/2020	1,536,750	16.00%
Blue Orchard	3/3/2020	3/3/2020	1,545,214	16.00%
JAWEF	6/24/2020	6/24/2020	1,750,000	6.75%
MIFA	8/13/2020	8/13/2023	1,753,500	6.50%
MEF	8/13/2020	8/13/2023	1,956,517	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 \$5,390,252 and \$3,900,241 on September 30, 2024 and 2023, respectively, and is included in accounts payable and accrued expenses on the consolidated statements of financial position. Subsequent to year end, the loans owed to Cordaid, FMO and SIFEM/Obvian were fully paid. Due to changes in the Myanmar government and the consequently inability of Pact make

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

monthly/quarterly payments, the eight remaining unpaid loans are in default. See Note 18 for additional detail.

During the fiscal year ended September 30, 2024, PGMF recorded interest expense forgiveness totaling \$709,749 related to outstanding debt obligations. This amount reflects the lenders' decision not to accrue interest on applicable loan balances after June 30, 2023. PGMF recorded the forgiven interest as other income in the consolidated statement of activities.

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.

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. In fiscal year 2025, repayment has been completed for three of the above notes payable totaling \$18 million. Pact's goal is to have the remaining notes payable repaid by September 30, 2025. However, as timeline is beyond Pact's control, this timeline may be extended. 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, 2024 and 2023, the following financial assets are available to meet annual operating needs of the 2024 and 2023 fiscal year:

	2024	2023
Cash and cash equivalents	\$ 95,112,082	\$ 111,332,175
Federal grants receivable	16,340,869	11,437,514
Other grants receivable	264,277	1,843,902
Employee Advances and other receivables	758,016	1,535,774
Investments maturing within one year available for general purposes	<u>3,818,935</u>	<u>3,193,162</u>
Total financial assets at year end	116,294,179	129,342,527
Less: amounts not available to be used within one year		
Refundable advances - federal	6,996,677	7,629,526
Refundable advances - other	1,665,588	3,345,948
PGMF local currency cash	64,032,769	84,914,643
Net assets with donor restrictions	<u>5,748,165</u>	<u>3,978,203</u>
Financial assets not available to be used for general expenditures	<u>78,443,119</u>	<u>99,868,320</u>
Financial assets available to meet general expenditures within one year	<u>\$ 37,850,980</u>	<u>\$ 29,473,207</u>

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

**NOTE 16 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions have been restricted by donors on September 30, 2024, for the following purposes:

	2024	2023
Alternate energy source projects	\$ 5,538,135	\$ 3,627,476
Ukraine	1,399	30,000
Carbon footprint reduction	20,709	20,709
Women in artisanal mining	187,922	300,018
	<u>\$ 5,748,165</u>	<u>\$ 3,978,203</u>

**NOTE 17 - RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions totaling \$2,293,298 and \$207,508 were released from restriction for alternate energy source projects, Carbon footprint reduction projects and artisanal mining projects during the fiscal year ended September 30, 2024 and 2023, 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 on June 30, 2023, as the activities represented a strategic shift in operations for Pact Inc.

**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

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

	<u>2023</u>
Revenue and support	
Microfinance loan activities	\$ 29,374,463
Fee Income on microfinance loans	1,567,489
Other revenue	4,552,822
Expenses and losses	
Operating expenses	(45,789,274)
Net return on U.N loan	(25,909,699)
Unrealized foreign exchange (gain) loss	(3,929,171)
Bad debt expense	<u>(43,867,300)</u>
Loss from discontinued operations - PGMF	<u>\$ (83,804,649)</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 - ECONOMIC DEPENDENCY**

Approximately 97% of Pact's revenue during the year ended September 30, 2024 was derived from the following three sources: the United States Agency for International Development (USAID), the United States Department of State (USDOS) and the United States Department of Labor (USDOL).

Approximately 89% of Pact's support and revenue during the year ended September 30, 2023 was derived from the following three sources: USAID, USDOS, and the USDOL.

As a consequence of Executive Order "Reevaluating and Realigning United States Foreign Aid," issued on January 20, 2025, the U.S. Government initiated a temporary 90-day pause and review of foreign assistance funding. Upon USG review, Pact resumed implementation of several large, multi-year programs, while the USG terminated others. To manage the financial impact of these terminations, Pact took reasonable and responsible measures such as terminating approximately 500 positions globally and renegotiating or terminating non-essential contracts. In addition, Pact implemented a strategic expansion of fundraising efforts, including the cultivation of non-USG partnerships, and the diversification of private opportunities. Management anticipates a reduction of Pact's global footprint by up to 30 countries with lost revenue of \$202 million through 2029 and expects operations to continue at least 9 countries. Pact anticipates that the renewed grant funding will enable Pact to maintain continuity of services.



**Pact, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2024 and 2023**

**NOTE 21 - SUBSEQUENT EVENTS**

Pact evaluated its consolidated financial statements for subsequent events through June 30, 2025, the date the consolidated financial statements were available to be issued. The following are subsequent events:

- On April 13, 2025, Pact paid off the line of credit agreement.
- A Presidential Executive Order entitled “Reevaluating and Realigning United States Foreign Aid” which was issued on January 20, 2025 and mandated a 90-day pause in United States development assistance for assessment of programmatic efficiencies and consistency with United States foreign policy. See further discussion in Note 20. These financial statements do not reflect any adjustments related to this subsequent event.
- Three of the PGMF notes payable were paid off after October 1, 2024.

## SUPPLEMENTAL SCHEDULES

Pact, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2024

	Pact, Inc.	Engaged	UK	PGMF	Pact Ventures	Eliminations	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 30,273,005	\$ 131	\$ 806,177	\$ 64,032,769	\$ -	\$ -	\$ 95,112,082
Investments	3,690,156	-	-	-	-	128,779	3,818,935
Federal grants receivable	16,340,869	-	-	-	-	-	16,340,869
Other grants receivable	264,277	-	-	-	-	-	264,277
Advances and other receivables	758,016	-	-	-	-	-	758,016
Prepaid expenses and deposits	1,738,602	-	-	251	-	-	1,738,853
Notes receivable	156,370	-	-	-	-	-	156,370
Due from related party	805,672	-	-	-	-	(805,672)	-
Property and equipment, net	1,467,220	-	-	-	-	-	1,467,220
Right-of-use assets - operating	17,972,827	-	-	-	-	-	17,972,827
Total assets	<u>\$ 73,467,014</u>	<u>\$ 131</u>	<u>\$ 806,177</u>	<u>\$ 64,033,020</u>	<u>\$ -</u>	<u>\$ (676,893)</u>	<u>\$ 137,629,449</u>
<b>LIABILITIES AND NET ASSETS</b>							
Accounts payable and accrued expenses	\$ 22,571,509	\$ -	\$ 40,645	\$ 4,219,494	\$ 1,827	\$ -	\$ 26,833,475
Notes payable	2,000,000	-	-	38,945,900	-	-	40,945,900
Refundable advances - federal	6,996,677	-	-	-	-	-	6,996,677
Refundable advances - other	1,559,926	-	105,662	-	-	-	1,665,588
Due to related party	-	2,670	657,987	18,063	126,952	(805,672)	-
Lease liabilities - operating	25,063,482	-	-	-	-	-	25,063,482
Total liabilities	<u>58,191,594</u>	<u>2,670</u>	<u>804,294</u>	<u>43,183,457</u>	<u>128,779</u>	<u>(805,672)</u>	<u>101,505,122</u>
<b>Net assets</b>							
Without donor restrictions	9,527,255	(2,539)	1,883	20,849,563	(128,779)	128,779	30,376,162
With donor restrictions	5,748,165	-	-	-	-	-	5,748,165
Total net assets	<u>15,275,420</u>	<u>(2,539)</u>	<u>1,883</u>	<u>20,849,563</u>	<u>(128,779)</u>	<u>128,779</u>	<u>36,124,327</u>
Total liabilities and net assets	<u>\$ 73,467,014</u>	<u>\$ 131</u>	<u>\$ 806,177</u>	<u>\$ 64,033,020</u>	<u>\$ -</u>	<u>\$ (676,893)</u>	<u>\$ 137,629,449</u>

Pact, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2023

	Pact, Inc.	UK	PGMF	Pact Ventures	Eliminations	Total
<b>ASSETS</b>						
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	<u>\$ 66,694,066</u>	<u>\$ 1,250,259</u>	<u>\$ 85,027,551</u>	<u>\$ -</u>	<u>\$ (1,285,952)</u>	<u>\$ 151,685,924</u>
<b>LIABILITIES AND NET ASSETS</b>						
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 Others	-	-	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	<u>55,111,049</u>	<u>1,245,070</u>	<u>70,211,469</u>	<u>128,779</u>	<u>(1,414,731)</u>	<u>125,281,636</u>
<b>Net assets</b>						
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	<u>11,583,017</u>	<u>5,189</u>	<u>14,816,082</u>	<u>(128,779)</u>	<u>128,779</u>	<u>26,404,288</u>
Total liabilities and net assets	<u>\$ 66,694,066</u>	<u>\$ 1,250,259</u>	<u>\$ 85,027,551</u>	<u>\$ -</u>	<u>\$ (1,285,952)</u>	<u>\$ 151,685,924</u>

Pact, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES

September 30, 2024

	Pact, Inc.	Engaged	UK	PGMF	Pact Ventures LLC	Eliminations	Total
<b>Support and revenue</b>							
Support							
Grants and contracts	\$ 176,300,246	\$ -	\$ 194,203	\$ -	\$ -	\$ -	\$ 176,494,449
Contributions	3,942,918	-	-	-	-	-	3,942,918
Interest income on PGMF cash	-	-	-	5,452,525	-	-	5,452,525
Investment income	609,773	-	-	-	-	-	609,773
Other revenue	1,444,571	-	88	709,749	-	-	2,154,408
Total support and revenue	182,297,508	-	194,291	6,162,274	-	-	188,654,073
<b>Expenses</b>							
Program services	152,657,324	2,539	142,299	-	-	-	152,802,162
Total program services	152,657,324	2,539	142,299	-	-	-	152,802,162
	152,657,324			142,299			
Supporting service							
Management and general	25,934,470	-	55,298	128,793	-	-	26,118,561
Fundraising	1,542	-	-	-	-	-	1,542
Total supporting expenses	25,936,012	-	55,298	128,793	-	-	26,120,103
Total expenses	178,593,336	2,539	197,597	128,793	-	-	178,922,265
Change in net assets before other gains and losses	3,704,172	(2,539)	(3,306)	6,033,481	-	-	9,731,808
<b>Other gains and losses</b>							
Bad debt expense	(11,769)	-	-	-	-	-	(11,769)
<b>CHANGE IN NET ASSETS</b>	3,692,403	(2,539)	(3,306)	6,033,481	-	-	9,720,039
<b>Net assets, beginning of the year</b>	11,583,017	-	5,189	14,816,082	(128,779)	128,779	26,404,288
<b>Net assets, end of the year</b>	<u>\$ 15,275,420</u>	<u>\$ (2,539)</u>	<u>\$ 1,883</u>	<u>\$ 20,849,563</u>	<u>\$ (128,779)</u>	<u>\$ 128,779</u>	<u>\$ 36,124,327</u>

Pact, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES

September 30, 2023

	Pact, Inc.	UK	PGMF	Pact Ventures LLC	Eliminations	Total
<b>Support and revenue</b>						
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
<b>Other gains and losses</b>						
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)
<b>CHANGE IN NET ASSETS</b>	341,842	(68,565)	(84,000,670)	-	-	(83,727,393)
<b>Net assets, beginning of the year</b>	11,241,175	73,754	98,816,752	(128,779)	128,779	110,131,681
<b>Net assets, end of the year</b>	\$ 11,583,017	\$ 5,189	\$ 14,816,082	\$ (128,779)	\$ 128,779	\$ 26,404,288

Pact, Inc. and Affiliates

SCHEDULE OF FUNCTIONAL EXPENSES - PACT, INC.

September 30, 2024

	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	\$ 20,970,663	\$ 2,683,709	\$ 1,735,886	\$ 2,382,516	\$ 62,188	\$ 27,834,962	\$ 13,796,056	\$ 465	\$ 13,796,521	\$ 41,631,483
Fringe benefit	8,579,265	683,542	536,346	566,881	181,353	10,547,387	3,787,756	129	3,787,885	14,335,272
Allowances	329,760	122,468	-	-	-	452,228	-	-	-	452,228
Consultant fees	2,652,901	193,776	92,474	697,750	49,983	3,686,884	185,794	-	185,794	3,872,678
Travel	5,056,353	301,971	170,411	319,008	43,918	5,891,661	740,549	-	740,549	6,632,210
Vehicles and equipment	1,521,233	344	34,878	7,538	-	1,563,993	31,683	-	31,683	1,595,676
Supplies and other	2,753,827	219,702	102,509	118,160	-	3,194,198	1,691,934	948	1,692,882	4,887,080
Banking and professional fees	3,224,586	151,367	333,891	119,177	21,117	3,850,138	1,355,303	-	1,355,303	5,205,441
Occupancy	1,547,405	133,455	69,091	226,885	333	1,977,169	3,811,596	-	3,811,596	5,788,765
Training and conferences	11,296,918	366,955	529,137	463,748	43,123	12,699,881	111,446	-	111,446	12,811,327
Depreciation	-	-	-	-	-	-	262,551	-	262,551	262,551
Interest	-	-	-	-	-	-	183,657	-	183,657	183,657
Affiliate admin cost recovery	-	-	-	-	-	-	(23,855)	-	(23,855)	(23,855)
	<u>57,932,911</u>	<u>4,857,289</u>	<u>3,604,623</u>	<u>4,901,663</u>	<u>402,015</u>	<u>71,698,501</u>	<u>25,934,470</u>	<u>1,542</u>	<u>25,936,012</u>	<u>97,634,513</u>
Subgrants and subcontracts	<u>76,868,608</u>	<u>949,474</u>	<u>1,290,263</u>	<u>1,844,478</u>	<u>6,000</u>	<u>80,958,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,958,823</u>
	<u>134,801,519</u>	<u>5,806,763</u>	<u>4,894,886</u>	<u>6,746,141</u>	<u>408,015</u>	<u>152,657,324</u>	<u>25,934,470</u>	<u>1,542</u>	<u>25,936,012</u>	<u>178,593,336</u>
Bad debt expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,769</u>	<u>-</u>	<u>11,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,769</u>
	<u>\$ 134,801,519</u>	<u>\$ 5,806,763</u>	<u>\$ 4,894,886</u>	<u>\$ 6,757,910</u>	<u>\$ 408,015</u>	<u>\$ 152,669,093</u>	<u>\$ 25,934,470</u>	<u>\$ 1,542</u>	<u>\$ 25,936,012</u>	<u>\$ 178,605,105</u>

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 UK**

**September 30, 2024**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total Expenses</b>
Salaries and related expense	\$ 32,162	\$ 8,135	\$ 40,297
Fringe benefits	15,633	2,253	17,886
Allowances	14	-	14
Consultant fees	28,900	-	28,900
Travel	6,421	-	6,421
Vehicles and equipment	2,101	-	2,101
Supplies and others	2,390	-	2,390
Banking and professional fees	5,442	21,054	26,496
Occupancy	5,085	-	5,085
Training and conferences	15,457	-	15,457
Affiliate admin cost recovery	-	23,856	23,856
	<u>113,605</u>	<u>55,298</u>	<u>168,903</u>
Subgrants and subcontracts	<u>28,694</u>	<u>-</u>	<u>28,694</u>
	<u><u>\$ 142,299</u></u>	<u><u>\$ 55,298</u></u>	<u><u>\$ 197,597</u></u>

**Pact, Inc. and Affiliates**

**SCHEDULE OF FUNCTIONAL EXPENSES - PACT UK**

**September 30, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total Expenses</b>
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	-	596,944	596,944
	<u>1,866,014</u>	<u>632,228</u>	<u>2,498,242</u>
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 GLOBAL MICROFINANCE FUND**

**September 30, 2024**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total Expenses</b>
Allowances	\$ -	\$ 5,097	\$ 5,097
Consultant fees	-	29,082	29,082
Travel	-	411	411
Supplies and others	-	3,613	3,613
Banking and professional fees	-	79,698	79,698
Occupancy	-	10,892	10,892
	<u>\$ -</u>	<u>\$ 128,793</u>	<u>\$ 128,793</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, 2024

Funding Agency	Pact Ref.	Program or Project	Expenditures	Cash Received (Refunded)
European Union	B3001	SEEK II	\$ (1,260)	\$ 186,841
British Council	B3852	CSSP2	20,237	247,856
London Metals Exchange	B3950	Reducing Child Labour in Zambian ASM	67,737	-
The European Commission	B3962	RASMI II	8	-
EPRM	B1953	Mauritania Gold	75,745	-
World Bank	Z1002	State of the Artisanal & Small-Scale Mining Sector	22,502	17,097
ITA	Z1007	ITA Global ITSCI Follow On 2023	275	803,031
Costa Coffee	Z1008	Costa Coffee funds under GIA	-	-
Open Society Foundation	Z1010	DRC -Critical Mineral Supply	112,092	300,018
Geological Institute of America, Inc.	Z1806	GIA Regional M2M Program	324,473	406,651
Deutsche Gesellschaft fur Intr Zusammenarbeit	Z3043	Ethiopia Cash Transfers Program	-	142,686
Shell International	Z3115	Capacity Building Support for Productive Use	1,559	-
Brilliant Earth Foundation	Z3116	Brilliant Earth Kenya Moyo Gems RMTW	46,570	-
Apple	Z3123	Apple DRC Addressing Child Labor Program Phase 7	98,088	-
Hilton Foundation	Z3124	TZ Early Childhood Development	957,327	1,000,000
Responsible Business Alliance	Z3125	Responsible Business Alliance DRC Apprenticeships	71,849	-
IKEA	Z3126	IKEA Rwanda Illuminating ASM Phase 2	429,410	103,201
Silicon Valley Community Foundation	Z3127	Brilliant Earth Moyo Gems TAWOMA Lapidary Eq Suppo	16,487	-
Deutsche Gesellschaft fur Intr Zusammenarbeit	Z3128	GIZ NAP Implementation Extension Sierra Leone	144,163	151,999
Brilliant Earth Foundation	Z3129	Kenya Moyo Gems Follow On	137,920	200,000
YNSD	Z3130	Community Services as a Pathway	41,789	168,231
Apple	Z3131	DRC Addressing Child Labor Program	135,643	160,000
David and Lucile Packard Foundation	Z3947	Organizational Development Implementation Project	(3,280)	-
AOC International B.V.	Z3948	Capacity Building for Artisanal Mining in the Grea	1,356	-
3M	Z3964	DRC 3M Youth Vocational Training II	51,148	-
British Council	Z3965	CSSP II	34,201	59,136
The Coca Cola Foundation	Z4011	The Empowerment for People in Need (E4PIN) project	347,963	-
WorldFish	Z4100	Tracking and Sharing Multi-Sector Issues with Tech	-	18,408
Chevron	Z4105	Chevron Indonesia Aquaculture - Myanmar Funds Reap	498,290	221,711
GEAPP	Z4106	GEAPP Myanmar (SPM) Follow On	2,134,673	3,879,232
Khmer Enterprise	Z4107	Enterprise Financial Day	27,033	32,355
Global Affairs Canada	Z4867	Women's Voice and Leadership Program	411,766	279,646
Global Affairs Canada	Z4917	Women Included: Nurturing Growth & Security (WINGS)	1,738,326	1,473,861
Rockefeller Foundation	Z4949	SPM Follow-on	1,500	-
Newmont Colorado	Z5011	ASM Strategy Review	4,380	-
Total			<u>\$ 7,949,970</u>	<u>\$ 9,851,960</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 Zambian 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 Footprint	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 Source	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 für In 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: Nurturing Growth & Security (WINGS)	1,210,848	1,347,049
Rockefeller Foundation	Z4949	SPM Follow-on	2,144,621	1,000,000
Stichting Aids Fonds	ZY006	Hosting-Program Manager Policy & Advocacy US	191,158	187,804
Total			\$ 20,778,122	\$ 21,641,838