Pact, Inc. and Affiliates

Consolidated Financial Report
September 30, 2015

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Directors
Pact, Inc. and Affiliates
Washington, D.C.

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Pact, Inc. and Affiliates (collectively, Pact) which comprise the consolidated balance sheet as of September 30, 2015, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of The Pact Global Microfinance Fund (PGMF), a wholly owned affiliate, whose statements reflect total assets constituting 79 percent of consolidated total assets at September 30, 2015, and total revenues constituting 20 percent of consolidated total support and revenue for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for PGMF, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The financial statements of The Pact Global Microfinance Fund (PGMF) were not audited in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pact, Inc. and Affiliates as of September 30, 2015, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Pact's 2014 consolidated financial statements and, based on our audit and the report of the other auditors, we expressed an unmodified audit opinion on those consolidated financial statements in our report dated June 12, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2016, on our consideration of Pact's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pact's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
April 14, 2016

Pact, Inc. and Affiliates

Consolidated Balance Sheet
September 30, 2015
(With Comparative Totals for 2014)

	2015	2014
Assets		
Cash and cash equivalents	**$ 30,302,914**	$ 38,604,729
Investments	**3,236,903**	3,336,554
Federal grants receivable	**5,199,402**	3,490,873
Other grants receivable	**2,467,843**	2,148,463
Advances and other receivables	**4,101,750**	3,610,534
Prepaid expenses and deposits	**2,207,781**	2,011,698
Loan portfolio, net of loan loss reserve	**104,898,903**	111,938,262
Due from related party	**-**	1,822
Property and equipment, net	**4,460,174**	4,906,573
	$ 156,875,670	$ 170,049,508
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 10,323,529**	$ 7,854,549
Beneficiary savings and reserved funds	**39,667,866**	36,964,487
Net returns on loans, reinvested earnings	**4,378,167**	771,086
Notes payable	**2,640,000**	-
Refundable advances – federal	**2,888,104**	5,767,059
Refundable advances – other	**14,027,742**	14,566,654
Client loan funds	**9,146,952**	12,931,615
Deferred rent	**1,681,214**	1,635,286
	84,753,574	80,490,736
Commitments and contingencies (Notes 9, 10 and 11)		
Net assets:		
Unrestricted – Pact, Inc.	**2,334,732**	5,740,731
Unrestricted – Pact Institute, Inc.	**3,606,983**	2,760,096
Unrestricted – Pact Global Microfinance Fund	**66,180,381**	81,057,945
	72,122,096	89,558,772
	$ 156,875,670	$ 170,049,508

See notes to consolidated financial statements.

Pact, Inc. and Affiliates

Consolidated Statement of Activities
Year Ended September 30, 2015
(With Comparative Totals for 2014)

	Unrestricted	
	2015	2014
Support and revenue:		
Grants and contracts	**$ 127,679,716**	$ 129,310,468
Contributions	**82,328**	344,483
Microfinance loan activities	**29,420,622**	27,479,728
Fee income on microfinance loans	**811,961**	123,085
Investment (loss) income, net	**(99,651)**	199,628
Other revenue	**76,042**	47,572
Net loss on loans	**(9,802,105)**	(584,263)
Asset transfer from donor ended projects	**-**	68,478,223
Total support and revenue	**148,168,913**	225,398,924
Expenses:		
Program services	**106,048,585**	127,397,293
Total program services	**106,048,585**	127,397,293
Supporting services:		
Management and general	**18,840,761**	18,326,442
Unrestricted general expenses	**19,577,015**	1,210,231
Fundraising	**229,060**	220,646
Total supporting services	**38,646,836**	19,757,319
Total expenses	**144,695,421**	147,154,612
Change in net assets before non-operating activity	**3,473,492**	78,244,312
Non-operating activity:		
Unrealized foreign exchange loss	**(20,910,168)**	(462,010)
Change in net assets	**(17,436,676)**	77,782,302
Net assets:		
Beginning	**89,558,772**	11,776,470
Ending	**$ 72,122,096**	$ 89,558,772

See notes to consolidated financial statements.

Pact, Inc. and Affiliates

Consolidated Statement of Cash Flows
Year Ended September 30, 2015
(With Comparative Totals for 2014)

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ (17,436,676)	$ 77,782,302
Adjustments to reconcile change in net assets to net cash		
(used in) provided by operating activities:		
Unrealized loss (gain) on investments	138,218	(110,474)
Depreciation	1,017,720	817,354
Loss on sales of property and equipment	2,551	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Federal grants receivable	(1,708,529)	(1,130,082)
Other grants receivable	(319,380)	3,420,354
Advances and other receivables	(491,216)	4,608,492
Prepaid expenses and deposits	(196,083)	(417,357)
Due from related party	1,822	(1,822)
Loan loss (gain) reserve allowance	(16,140)	833,803
Increase (decrease) in:		
Accounts payable and accrued expenses	2,468,980	357,893
Beneficiary savings and reserved funds	2,703,379	12,595,140
Net returns on loans, reinvested earnings	3,607,081	(59,772,324)
Refundable advances – federal	(2,878,955)	(20,301,386)
Refundable advances – other	(538,912)	(19,746,160)
Deferred rent	45,928	1,635,286
Client loan funds	(3,784,663)	12,931,615
Net cash (used in) provided by operating activities	(17,384,875)	13,502,634
Cash flows from investing activities:		
Proceeds from sales of investments	-	848,085
Purchases of investments	(38,567)	(957,424)
Disbursements for loans	(104,898,903)	(111,938,262)
Receipts from collections of loans	111,954,402	80,461,135
Proceeds from sales of property and equipment	597,400	-
Purchase of property and equipment	(1,171,272)	(4,292,934)
Net cash provided by (used in) investing activities	6,443,060	(35,879,400)
Cash flows from financing activities:		
Proceeds from notes payable	2,640,000	-
Net cash provided by financing activities	2,640,000	-
Net decrease in cash and cash equivalents	(8,301,815)	(22,376,766)
Cash and cash equivalents:		
Beginning	38,604,729	60,981,495
Ending	$ 30,302,914	$ 38,604,729

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Pact, Inc. and Affiliates (collectively Pact) consists of the activities of Pact, Inc., Pact Global Microfinance Fund and Pact Institute, Inc.

Pact, Inc. is an international nonprofit corporation whose mission is to strengthen civil societies around the world in order to achieve social, economic and environmental justice. The business and property of Pact, Inc. are managed and controlled by Pact, Inc.'s volunteer Board of Directors. Pact, Inc. receives a majority of its funding from the U.S. Agency for International Development (USAID) and other federal agencies, both directly and as pass-through awards from prime recipients. Other donors include instrumentalities of the United Nations, private foundations, foreign government agencies and multilateral alliances of foreign governments. Pact, Inc. provides high quality capacity building and grants management services to grassroots organizations through its Washington, D.C.-based corporate office and its 20 local field offices. Through various strategic approaches, including capacity building, good governance and utilizing markets, Pact, Inc. makes programmatic impact in the areas of health, natural resource management and livelihoods. Pact, Inc. staff provides technical assistance in a wide range of capacity strengthening areas, including financial management, project design and implementation, information management and communications, governance and strategic planning.

The Pact Global Microfinance Fund (PGMF) is a wholly-owned subsidiary of Pact; it is structured to qualify as a Type I Supporting Organization under Section 509(a)(3) of the Internal Revenue Code. PGMF was incorporated in the State of Delaware on February 2, 2012, and has taken over several activities in Myanmar that were previously performed by Pact or the Institute. PGMF is a charity created by Pact, a 501(c)(3) public charity, to combat global poverty by expanding and strengthening Pact's microfinance work. PGMF has taken over several of Pact's microfinance projects and will continue to do so over time. PGMF will work with the U.S. government, United Nations agencies, and other public and private donors to offer financial services to low-income people. These services are offered with the goal of alleviating poverty and promoting sustainable development in the poorest parts of the world. PGMF is organized and will be operated to support Pact's charitable purposes. PGMF shares the vision of Pact: "A world where those who are poor and marginalized exercise their voice, build their own solutions and take ownership over their future." PGMF works to help Pact achieve one of its key goals of enabling people with limited livelihood choices to gain the resources needed to be income secure. PGMF will administer and develop services, tools, technology, innovation and partnerships that achieve excellence in sustainable traditional microfinance lending. PGMF currently provides (1) microfinance services to impoverished individuals, particularly rural women, who have inadequate access to commercial financial services; (2) education, training and capacity building related to microfinance, disaster risk reduction and other humanitarian topics; and (3) grants to community organizations and groups that provide microfinance, disaster risk reduction and other humanitarian and poverty-reduction services. Initially, all of the microfinance projects will take place in Myanmar (also known as Burma). Eventually, PGMF may expand its activities to other developing countries.

Pact Institute, Inc. (the Institute) was organized in 1999 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. The Institute serves Pact, Inc. by enabling, supporting and carrying out program activities, such as feasibility studies and pilot programs in fields that Pact, Inc. seeks to strengthen its experience. Such fields include health, natural resource management, economic empowerment and peace building.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

A summary of Pact's significant accounting policies follows:

Basis of accounting: The consolidated financial statements are prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: Pact reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, as applicable. There were no temporarily restricted or permanently restricted net assets at September 30, 2015.

Principles of consolidation: The consolidated financial statements include the accounts of Pact, Inc., Pact Global Microfinance Fund and the Institute. 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 $18 million of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2015.

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.

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 (loss) income, net in the consolidated statement 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 were no provision for doubtful accounts at September 30, 2015.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

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. Advances are written off when deemed uncollectible. There were no provision for doubtful accounts at September 30, 2015.

Loans: Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that PGMF does not intend to sell immediately or in the near future term. Loans are reported at the principal amount outstanding, net of allowances for loan losses, impairments and unearned loan fees (see Note 4). All loans are recognized when cash is advanced to borrowers.

Allowances for loan losses: Allowances have been established for probable loan losses. The board of directors has delegated responsibility of credit risk assessment to PGMF's senior management. The provisions for losses charged to operations are based on management's judgment of current economic conditions, the value of the underlying collateral and the credit risk of the loan portfolio. Management believes that these allowances are adequate for loan losses inherent in the loan portfolio based on available information; however, future additions to the allowances may be necessary based on changes in economic conditions.

Impairment: A loan is impaired when it is probable that all principal and interest amounts due will not be collected according to contractual terms of the loan agreement. Large loans are individually evaluated for impairment. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate. Large groups of smaller-balance homogeneous loans are collectively evaluated for impairment, and accordingly, they are not separately identified for impairment disclosures.

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.

Refundable advances: Refundable advances represent the balance of cash received from government and private grants, for which allowable expenditures have not yet been incurred.

Support and revenue – Pact Inc. and Pact Institute, Inc.: Revenue from grants and contracts is recognized as related reimbursable expenses are incurred. Allowable expenses incurred in excess of cumulative reimbursements are reported within grants receivable. Cash received in excess of allowable expenditures incurred is reported as refundable advances.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Support and revenue – PGMF: Loan income and expenses are recognized based on the effective interest rate of the interest earning asset or the interest bearing liability. Interest income and expense include the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount if maturity is calculated on an effective interest rate basis. Revenue from grants and contracts is recognized as related reimbursable expenses are incurred. Cash received in excess of allowable expenditures incurred is reported as refundable advances.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement 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 Institute, Inc.: The reporting currency and functional currency is the U.S. dollar. Monthly expenses that are incurred by field offices in foreign countries 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 statement of activities.

Foreign currency translation and transactions – PGMF: Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the ruling rate in effect at the balance sheet date. Foreign exchange differences arising from translation are recognized in the consolidated statement of activities. The official exchange rate for U.S. dollars used in the translation of balance sheet items denominated in foreign currencies was 1,286 in Burmese Kyat at September 30, 2015. In 2015, a foreign exchange loss of $20,910,168 was recorded.

Income taxes: Pact, Inc., the Institute and PGMF are generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, all three organizations qualify for charitable contributions deductions and have been classified as organizations that are not private foundations. Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. None of the entities had no significant net unrelated business income for the year ended September 30, 2015.

Management evaluated Pact’s tax positions and concluded that Pact has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of the accounting guidance for uncertainty in income taxes. Generally, Pact is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2012.

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.

Prior year information: The consolidated financial statements include certain prior year summarized comparative information. 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 Pact’s consolidated financial statements for the year ended September 30, 2014, from which the summarized information was derived.

Subsequent events: Pact evaluated subsequent events through April 14, 2016, which is the date the consolidated financial statements were available to be issued.

Note 2. Fair Value Measurements and Investments

The Fair Value Measurement Topic of (the Accounting Standards Codification) 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.

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.

The following table presents Pact's fair value hierarchy for those assets measured at fair value on a recurring basis as of September 30, 2015:

	2015			
Description	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income – short government	$ 506,186	$ -	$ -	$ 506,186
Fixed income – intermediate term bond	254,033	-	-	254,033
Fixed income – short term	509,505	-	-	509,505
Equity – large cap blend	918,271	-	-	918,271
Equity – foreign	221,152	-	-	221,152
Equity – small cap blend	164,984	-	-	164,984
Equity – small cap value	161,049	-	-	161,049
Equity – real estate	52,944	-	-	52,944
Equity – global real estate	51,661	-	-	51,661
Equity – World Stock	96,504	-	-	96,504
Equity – diversified emerging markets	283,318	-	-	283,318
	3,219,607	-	-	3,219,607
Money market funds	17,296	-	-	17,296
	$ 3,236,903	$ -	$ -	$ 3,236,903

Investment loss consists of the following for the year ended September 30, 2015:

Interest and dividends	$ 38,567
Unrealized loss on investments	(138,218)
	$ (99,651)

Note 3. Advances and Other Receivables

Advances and other receivables consist of the following at September 30, 2015:

Subrecipient advances	$ 2,140,689
Employee advances	407,615
Other receivables	1,553,446
	$ 4,101,750

Note 4. Loans Receivable

Loans receivable consists of loans granted to individuals and groups (customers). These loans are made for the purpose of financing agriculture activities, trading, small-scale artisan work and other services. No collateral or security is taken for these loans. These loans are granted generally for a period of between 4 and 12 months at an annual effective interest rate of 30 percent. All loans outstanding as of September 30, 2015, are due within the next 12 months. Loans outstanding for the year ended September 30, 2015, consists of the following:

Loans receivable	$ 107,638,640
Less loan loss allowance	2,739,737
Net loan portfolio	$ 104,898,903

PGMF will often make loans to borrowers who would be unable to secure financing from commercial sources. The ability of each borrower to repay its respective loan depends on the entrepreneurial success of each borrower. In addition, payments to PGMF depend on the economic and political environment of each locality in which loans are made.

A summary of the activity in the allowance for loan losses for the year ended September 30, 2015, is as follows:

Balance at beginning of year	$ 2,755,877
Provision for loan losses	908,436
Loans written off	(156,746)
Revaluation	(767,830)
Balance at end of year	$ 2,739,737

Loans are considered delinquent if they have not been repaid when due. As of September 30, 2015, PGMF had delinquencies totaling $635,949. As of September 30, 2015, the average effective yield on loans receivable was 30 percent.

Note 5. Property and Equipment

Property and equipment and accumulated depreciation at September 30, 2015, and depreciation expense for the year ended September 30, 2015, are as follows:

Asset Category	Estimated Lives	Cost	Accumulated Depreciation	Net	Depreciation Expense
Software	3 years	$ 2,099,586	$ 1,643,430	$ 456,156	$ 318,935
Leasehold improvements	11 years	1,487,602	418,891	1,068,711	107,594
Furniture and equipment	3-5 years	4,733,828	2,028,820	2,705,008	591,191
Work in progress		230,299	-	230,299	-
		$ 8,551,315	$ 4,091,141	$ 4,460,174	$ 1,017,720

Note 6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at September 30, 2015:

Accrued personnel expenses	$ 5,301,289
Accounts payable and accrued expenses	5,022,240
	$ 10,323,529

Note 7. Beneficiary Savings and Reserved Funds

Beneficiary savings and reserved funds consist of deposits from customers and other client liabilities. Deposits from customers as of September 30, 2015, consist of the following:

Savings (compulsory)	$ 25,411,312
Savings (voluntary)	7,678,815
Total deposits from customers	$ 33,090,127

During fiscal year 2015, the annual effective interest rate on customer deposits was 15 percent; all deposits are interest bearing. Interest is accrued monthly and capitalized on customer deposit accounts at the end of the year. Therefore, accrued interest on deposits is included in the deposits from customers on the consolidated balance sheet while interest expense on deposits is part of banking and professional fees, which are included in the program services on the consolidated statement of activities. Each of these types of customer deposits are available on demand with two weeks' notice.

As of September 30, 2015, other client liabilities consist of the following:

Beneficiary Welfare Fund	$ 6,469,719
Other deposits	108,020
Total other client liabilities	$ 6,577,739

Note 7. Beneficiary Savings and Reserved Funds (Continued)

The Beneficiary Welfare Fund is designed for microfinance customers who currently have outstanding loans, have completed a loan or waiting to receive a loan from PGMF. To qualify for the funding program, clients must be current microfinance customers, take at least one loan per year to continue program coverage and agree to follow all the rules and regulations. It offers two types of benefits: (1) a one-time cash benefit and (2) the settling of outstanding loans with the Beneficiary Welfare Program funds. When a borrower dies or faces certain risk defined by the program, PGMF will settle the outstanding loans and also provide cash benefits, depending on the risks.

The Beneficiary Welfare Fund is created by the following contributions:

1. The collection of 1 percent of loan disbursements from borrowers

2. 1 percent of gross income monthly contributed by PGMF

3. 15 percent annual interest, 1.25 percent monthly

Note 8. Net Returns on Loans

PGMF generates earnings from interest charged and collected, net of operating expenses, on loan fund assets (microfinance products) owned by various funding agencies. As ownership of the underlying assets does not transfer to PGMF until the point in time in which the projects have ended and the donors who originally contributed the initial funds for the microfinance loans have released those funds to PGMF, the net earnings net return on loans from those loan funds are recorded as a liability due to the donors until released by the donors. The cumulative amount recorded as net returns on loans as of September 30, 2015, was $4,378,167, of which $3,607,081 was earned in 2015.

Note 9. Pension Plan

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 percent for employer contributions for employees who have completed their first year and are in effect until their third year of service, increasing to 13 percent thereafter. Employees may contribute the maximum amount permitted by law. Pension expense for the year ended September 30, 2015, was $1,261,158.

Note 10. Leases

Pact's corporate headquarters occupies office space in Washington, D.C. under the terms of a non-cancellable operating lease, and various foreign countries offices are occupied under leases on a month-to-month basis. The headquarters lease expires on November 30, 2025.

All lease expenditures are recognized on a straight-line basis ratably over the term of the lease. The difference between the straight-line expense and the required lease payment is reflected as deferred rent in the accompanying consolidated balance sheet.

Total rent expense was approximately $3,949,078 for the year ended September 30, 2015.

Note 10. Leases (Continued)

Total future lease payments are as follows:

Years ending September 30:		
2016	$	2,806,143
2017		1,812,366
2018		1,687,839
2019		1,589,279
2020		1,520,939
2021 and thereafter		8,888,100
	$	18,304,666

Note 11. 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 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.

Note 12. Major Grantor

During the year ended September 30, 2015, Pact received significant direct funding from USAID. A reduction in funding from USAID would have a significant impact on the operations of Pact. For the year ended September 30, 2015, approximately 51 percent of total revenue was related to grants funded directly by USAID. Another 2 percent of Pact's revenues were funded indirectly by USAID through subawards and subcontracts to other development partners that Pact engaged with during fiscal year 2015.

Note 13. Interest Expense

Interest expense for the year ended September 30, 2015, includes:

Interest on client deposits and other client liabilities	$	5,348,034
Total interest expense	$	5,348,034

Note 14. Financial Risk Management

By its nature, PGMF's activities are principally related to the use of financial instruments. A financial instrument is any contract that gives rise to the right to receive cash or another financial asset from another party or the obligation to deliver cash or another financial asset to another party. Financial instruments result in certain risks to PGMF. The most significant risks facing PGMF are outlined below.

Credit risk: Credit risk is the risk of financial loss arising from the failure of a customer to settle financial obligations to PGMF as they fall due. This is an inherent risk associated with the microfinance industry. The majority of loans are short term in nature; approximately 40 percent of the loans fall due within nine months and no loans are over 12 months in duration.

The Board of Directors has delegated responsibility for the management of credit risk to senior management. A separate Program (Operations) department is responsible for oversight of PGMF's credit risk including:

- Formulating credit policies in consultation with business units covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.

- Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to Business Unit Officers.

- Reviewing and assessing credit risk. PGMF's Program department assesses all credit exposures in excess of designated limits prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

- Limiting concentrations of exposure to geographies and market segments for loans and advances.

- Developing and maintaining PGMF's risk grading in order to categorize exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures.

- Reviewing compliance of business units with agreed exposure limits including those for selected industries' country risk and product types. Regular reports are provided to PGMF's Program department on the credit quality of local portfolios and appropriate corrective actions to be taken.

- Providing advice, guidance and specialist skills to business units to promote best practice throughout PGMF in the management of credit risk.

Each branch is required to implement PGMF's credit policies and procedures with credit approval authorities delegated from management. Each business unit has a Branch Manager who reports on all credit related matters to senior management. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to central approval.

PGMF does not hold collateral against loans. The lending portfolio consists of non-securitized microfinance loans mutually guaranteed by group members. Customers are clustered into solidarity groups, which collectively secure the loans. Regular audits of branches and credit processes are undertaken by Internal Audit.

Note 14. Financial Risk Management (Continued)

Impaired loans: Impaired loans are loans for which PGMF determines that it is probable that it will be unable to collect the principal and interest due according to the contractual terms of the loan.

Objective evidence that loans are impaired can include default or delinquency by a borrower, restructuring of a loan, indications that a borrower will enter bankruptcy or other observable data relating to a group of loans such as adverse changes in the payment status of borrowers or issuers in the group or economic conditions that correlate with defaults in the group.

Past due but not impaired loans: Loans where contractual interest or principal payments are past due but PGMF believes that impairment is not appropriate on the basis of the level of security available and/or the stage of collection of amounts owed to PGMF.

Allowance for impairment: PGMF establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred, but have not been identified on loans subject to individual assessment for impairment.

Loan loss impairment is provided between 1 percent to 2 percent of current loans outstanding or the provision percentage on default loans, whichever is higher. PGMF considers loans past due when contracted installments are delinquent more than 90 days. The loan loss provision is calculated based on the aging of default loans in the portfolio on the following basis:

Period of default	Provision percentage on default loans
Less than 90 days	25%
Between 91-180 days	50%
Between 181-270 days	75%
More than 270 days	100%
Over 365 days	Write off

PGMF reports loans at their outstanding balance, net of allowance made from loan loss provisions. Adjustments in respect of surplus or deficit in the loan loss reserve are part of banking and professional fees, which are included in the program services on the consolidated statement of activities.

Note 14. Financial Risk Management (Continued)

Write-off policy: PGMF writes off a loan/security balance (and any related allowances for impairment losses) when PGMF's Program Department determines that the loans/securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or that proceeds from the group guarantee will not be sufficient to pay back the entire exposure.

	Borrowers	Amount
Current loan	772,708	$ 107,002,690
Past due loan		
1-90 days	291	111,799
91-180 days	251	80,219
181-270 days	99	18,998
271-365 days	108	22,722
Over 365 days	3,295	402,212
Gross carrying amount	776,752	$ 107,638,640
Impairment allowance		$ 2,739,737
Net carrying amount		$ 104,898,903

Credit risk management: PGMF monitors concentrations of credit risk by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

Magway South	$ 7,197,808
Magway Central	16,950,860
Magway north/Sagaing	10,695,241
Mandalay/ Shan North	16,959,283
Shan South	8,747,953
Delta West	12,876,656
Delta East	15,154,381
Delta North	13,456,707
Yangon	5,599,751
Total	$ 107,638,640

Concentration by location for loans is measured based on the location of the PGMF unit holding the asset, which has a high correlation with the location of the borrower.

Note 14. Financial Risk Management (Continued)

PGMF also monitors credit risk by product concentration. An analysis of concentrations of credit risk at the reporting date is shown below:

	# Borrowers	Amount
General Loan	584,779	$ 67,727,034
Extra Loan	28,178	1,044,924
MSE Loan	14,866	4,501,213
Health Care Loan	4,491	227,003
Education Loan	2,388	78,795
Vulnerable Loan	4	43
Agriculture Loan	141,891	34,003,790
SRG Wholesale Loan	45	1,039
Consumer Loan	48	51,000
Sanitary Loan		-
Employment loan	62	3,799
Total	776,752	$ 107,638,640

Foreign currency risk: Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign currency exchange rates. As of September 30, 2015, PGMF held $1,225,216 in U.S. Dollars. PGMF recorded $20,910,168 in Foreign Exchange losses due to the 25 percent increase in the value of the U.S. Dollar compared to the Myanmar kyat during the fiscal year ending September 30, 2015.

Liquidity risk: Liquidity risk is the risk that PGMF will encounter difficulty in raising funds to meet commitments associated with financial instruments. The objective of liquidity management is to ensure that PGMF has the ability to generate sufficient funds to meet all cash flow obligations as they become due. In managing its liquidity, PGMF takes into account various legal requirements and limitations and the need to maintain market confidence. Total cash is $13,792,441, which is 11 percent of total assets.

Management of liquidity risk: PGMF's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to PGMF's reputation.

Head office receives information from other units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. Weekly reports cover the liquidity position of both PGMF and operating units.

Note 14. Financial Risk Management (Continued)

Exposure to liquidity risk: A key measure used by PGMF for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose net liquid assets are considered only including cash. A similar but not identical calculation is used to measure PGMF's compliance with the liquidity limit established by the regulator. Details of the reported Organization ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period were as follows:

	2015	2014
At period end	38%	48%
Average for the period	56%	91%
Maximum for the period	99%	158%
Minimum for the period	27%	34%

Operational risk: Operational risk is the risk caused by failures in operational processes or the systems that support them. This includes errors, omissions, system breakdowns, natural disasters, terrorist attacks and fraudulent activity, causing an impact in terms of unavailability of services, financial loss, increased costs and loss of reputation or failure to make anticipated income or profit.

The goal of operational risk management is to balance cost and risk within the constraints of the risk appetite of PGMF, but to be consistent with the prudent management required of a financial institution. Risk Management priorities are identified through a combination of experience and observation, internal audit assessment and knowledge, internal controls, detailed risk assessment work, change management procedures, incident reports and common sense.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall organizational standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties including authorization of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation including insurance where this is effective

Note 15. Assets Transferred From Donor-Ended Projects

Under the “Asset and Liability Transfer Agreement” dated June 2014, PGMF assumed ownership of the net assets of the United Nations Development Programme (UNDP) project. Under the revenue sharing clause of the transfer agreement, PGMF agrees to pay a total of MMK $12,543,666,405 over five years through semi-annual installments of MMK $1,254,266,640 each. The first payment to UNDP under the revenue sharing clause of the agreement was due in June 2014 but UNDP had not yet established the bank account for the receipt of the funds. As of September 30, 2015, the total liability to UNDP was $9,146,952, of which $2,439,187 is due within one year.

RSM

RSM US LLP

Independent Auditor's Report on the Supplementary Information

To the Board of Directors
Pact, Inc. and Affiliates
Washington, D.C.

We have audited the consolidated financial statements of Pact, Inc. and Affiliates (collectively, Pact) as of and for the year ended September 30, 2015, and have issued our report thereon which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating and other supplementary information is presented for purposes of additional analysis, rather than to present the financial position and results of activities of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating and other information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, as explained in our report with the consolidated financial statements on pages 1 and 2, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Washington, D.C.
April 14, 2016

Pact, Inc. and Affiliates

Consolidating Balance Sheet
September 30, 2015

	Pact, Inc.	Pact Institute	PGMF	Pact Inc./ PGMF Eliminations	Pact Inc./ Pact Institute Eliminations	Total
Assets						
Cash and cash equivalents	$ 5,221,077	$ 10,393,971	$ 14,687,866	$ -	$ -	$ 30,302,914
Investments	3,236,903	-	-	-	-	3,236,903
Federal grants receivable	5,199,402	-	-	-	-	5,199,402
Other grants receivable	1,334,283	1,133,560	-	-	-	2,467,843
Advances and other receivables	2,181,593	428,597	1,491,560	-	-	4,101,750
Prepaid expenses and deposits	1,786,807	69,794	351,180	-	-	2,207,781
Loan portfolio, net of loan loss reserve	-	-	104,898,903	-	-	104,898,903
Due from (to) related party	(1,866,941)	1,972,276	11,943	(117,278)	-	-
Property and equipment, net	2,469,124	-	1,991,050	-	-	4,460,174
	$ 19,562,248	$ 13,998,198	$ 123,432,502	$ (117,278)	$ -	$ 156,875,670
Liabilities and Net Assets						
Liabilities:						
Accounts payable and accrued expenses	$ 6,933,492	$ 840,133	$ 2,667,182	$ (117,278)	$ -	$ 10,323,529
Beneficiary savings and reserved funds	-	-	39,667,866	-	-	39,667,866
Net returns on loans, reinvested earnings	-	-	4,378,167	-	-	4,378,167
Notes payable	2,640,000	-	-	-	-	2,640,000
Refundable advances – federal	2,777,336	-	110,768	-	-	2,888,104
Refundable advances – other	3,195,474	9,551,082	1,281,186	-	-	14,027,742
Client loan funds	-	-	9,146,952	-	-	9,146,952
Deferred rent	1,681,214	-	-	-	-	1,681,214
	17,227,516	10,391,215	57,252,121	(117,278)	-	84,753,574
Net assets – unrestricted	2,334,732	3,606,983	66,180,381	-	-	72,122,096
	$ 19,562,248	$ 13,998,198	$ 123,432,502	$ (117,278)	$ -	$ 156,875,670

Pact, Inc. and Affiliates

Consolidating Statement of Activities
Year Ended September 30, 2015

	Pact, Inc.	Pact Institute	PGMF	Pact Inc./ PGMF Eliminations	Pact Inc./ Pact Institute Eliminations	Total
Support and revenue:						
Grants and contracts	$ 98,513,640	$ 22,687,871	$ 6,478,205	$ -	$ -	$127,679,716
Contributions	79,065	3,263	-	-	-	82,328
Microfinance loan activities	-	-	32,297,003	(2,876,381)	-	29,420,622
Fee income on microfinance loans	-	-	811,961	-	-	811,961
Investment loss income, net	(99,651)	-	-	-	-	(99,651)
Other revenue	54,635	21,407	-	-	-	76,042
Net loss on loans	-	-	(9,802,105)	-	-	(9,802,105)
Asset transfer from donor-ended projects	-	-	-	-	-	-
Total support and revenue	98,547,689	22,712,541	29,785,064	(2,876,381)	-	148,168,913
Expenses:						
Program services	83,415,386	19,601,193	3,032,006	-	-	106,048,585
Total program services	83,415,386	19,601,193	3,032,006	-	-	106,048,585
Supporting services:						
Management and general	15,079,721	2,261,040	1,500,000	-	-	18,840,761
Unrestricted general expenses	353,140	3,421	19,220,454	-	-	19,577,015
Fundraising	229,060	-	-	-	-	229,060
Total supporting services	15,661,921	2,264,461	20,720,454	-	-	38,646,836
Total expenses	99,077,307	21,865,654	23,752,460	-	-	144,695,421
Change in net assets before non-operating activity	(529,618)	846,887	6,032,604	(2,876,381)	-	3,473,492
Non-operating activity:						
Unrealized foreign exchange gain loss	-	-	(20,910,168)			(20,910,168)
Change in net assets	(529,618)	846,887	(14,877,564)	(2,876,381)	-	(17,436,676)
Net assets:						
Beginning	2,864,350	2,760,096	81,057,945	2,876,381	-	89,558,772
Ending	$ 2,334,732	$ 3,606,983	$ 66,180,381	$ -	$ -	$ 72,122,096

Statement of Functional Expenses – Pact, Inc.
Year Ended September 30, 2015
(With Comparative Totals for 2014)

	Program Services					Supporting Services					
	USAID Funded Directly	USAID Funded Indirectly	Other Federal	Non-Federal	Total Program Services	Management and General	Unrestricted General Expenses	Fundraising	Total Supporting Services	Total Expenses	2014
Salaries and related expenses	$ 11,500,502	$ 913,542	$ 1,009,385	$ 1,892,594	$ 15,316,023	$ 8,402,240	$ 12,212	$ 11,944	$ 8,426,396	$ 23,742,419	$ 23,325,011
Fringe benefits	3,013,816	416,055	308,308	736,737	4,474,916	2,499,873	8,589	3,498	2,511,960	6,986,876	7,193,293
Supplies and other	1,894,508	51,760	248,581	374,294	2,569,143	1,519,053	97,462	2,162	1,618,677	4,187,820	3,777,216
Travel	2,018,750	218,062	192,893	739,709	3,169,414	1,229,030	55,657	3,618	1,288,305	4,457,719	2,990,442
Occupancy	1,310,318	48,071	266,278	525,459	2,150,126	1,239,605	39,118	-	1,278,723	3,428,849	2,533,360
Allowances	1,853,571	132,910	58,150	218,265	2,262,896	136,240	20,690	-	156,930	2,419,826	3,305,135
Training and conferences	3,041,178	149,484	138,517	665,537	3,994,716	268,392	12,327	2,723	283,442	4,278,158	3,728,722
Consultant fees	1,029,059	106,612	120,516	342,716	1,598,903	289,505	-	676	290,181	1,889,084	1,768,576
Banking and professional fees	687,409	19,852	108,968	201,177	1,017,406	1,329,090	43,546	204,439	1,577,075	2,594,481	1,741,075
Vehicles and equipment	324,208	23,206	10,475	19,033	376,922	8,557	-	-	8,557	385,479	1,485,871
Depreciation	-	-	-	-	-	608,136	11,464	-	619,600	619,600	569,111
Affiliate admin cost recovery	-	-	-	-	-	(2,450,000)	-	-	(2,450,000)	(2,450,000)	-
	26,673,319	2,079,554	2,462,071	5,715,521	36,930,465	15,079,721	301,065	229,060	15,609,846	52,540,311	52,417,812
Subgrants and subcontracts	38,700,192	317,127	1,586,274	5,881,328	46,484,921	-	52,075	-	52,075	46,536,996	57,176,492
	65,373,511	2,396,681	4,048,345	11,596,849	83,415,386	15,079,721	353,140	229,060	15,661,921	99,077,307	109,594,304
Allocation of management and general	11,051,263	721,231	916,841	2,242,695	14,932,030	(15,079,721)	70,070	77,627	(14,932,024)	-	-
	$ 76,424,774	$ 3,117,912	$ 4,965,186	$ 13,839,544	$ 98,347,416	$ -	$ 423,210	$ 306,687	$ 729,897	$ 99,077,307	$ 109,594,304

Statement of Functional Expenses – Pact Institute, Inc.
Year Ended September 30, 2015
(With Comparative Totals for 2014)

	2015				
	Program Services	**Management and General**	**Unrestricted General Expenses**	**Total Expenses**	2014
Salaries and related expenses	**$ 5,291,932**	**$ 567,126**	**$ -**	**$ 5,859,058**	$ 5,280,871
Fringe benefits	**1,369,866**	**174,232**	**-**	**1,544,098**	1,207,950
Travel	**324,217**	**1,823**	**-**	**326,040**	1,398,439
Supplies and other	**347,813**	**313,582**	**-**	**661,395**	712,324
Allowances	**1,318,827**	**140,523**	**2,234**	**1,461,584**	329,428
Training and conferences	**460,173**	**-**	**-**	**460,173**	1,208,737
Occupancy	**1,363,703**	**34,091**	**(475)**	**1,397,319**	592,473
Consultant fees	**226,325**	**61,540**	**5**	**287,870**	843,341
Banking and professional fees	**631,795**	**-**	**-**	**631,795**	1,321,232
Vehicles and equipment	**2,100,858**	**18,123**	**1,657**	**2,120,638**	658,739
Admin cost recovery	**-**	**950,000**	**-**	**950,000**	-
	13,435,509	**2,261,040**	**3,421**	**15,699,970**	13,553,534
Subgrants and subcontracts	**6,165,684**	**-**	**-**	**6,165,684**	4,870,637
	19,601,193	**2,261,040**	**3,421**	**21,865,654**	18,424,171
Allocation of management and general	**2,261,040**	**(2,261,040)**	**-**	**-**	-
	$ 21,862,233	**$ -**	**$ 3,421**	**$ 21,865,654**	$ 18,424,171

Statement of Functional Expenses – Pact Global Microfinance Fund
Year Ended September 30, 2015
(With Comparative Totals for 2014)

	2015				
	Program Services	**Management and General**	**Unrestricted General Expenses**	**Total Expenses**	2014
Salaries and related expenses	**$ 838,217**	**$ -**	**$ 8,390,101**	**$ 9,228,318**	$ 8,557,909
Supplies and other	**629,983**	**-**	**6,577,641**	**7,207,624**	613,876
Fringe benefits	**29,765**	**-**	**1,804,808**	**1,834,573**	627,638
Affiliate admin cost recovery	**-**	**1,500,000**	**-**	**1,500,000**	-
Travel	**131,252**	**-**	**892,349**	**1,023,601**	726,474
Occupancy	**56,691**	**-**	**452,646**	**509,337**	512,493
Depreciation	**28,708**	**-**	**369,412**	**398,120**	248,243
Allowances	**38,503**	**-**	**240,251**	**278,754**	255,423
Banking and professional fees	**5,804**	**-**	**255,544**	**261,348**	6,242,711
Training and conferences	**15,407**	**-**	**183,952**	**199,359**	189,295
Consultant fees	**52,738**	**-**	**53,750**	**106,488**	155,891
Vehicles and equipment	**-**	**-**	**-**	**-**	410,828
	1,827,068	**1,500,000**	**19,220,454**	**22,547,522**	18,540,781
Subgrants and subcontracts	**1,204,938**	**-**	**-**	**1,204,938**	1,380,149
	3,032,006	**1,500,000**	**19,220,454**	**23,752,460**	19,920,930
Allocation of management and general	**219,376**	**(1,500,000)**	**1,280,624**	**-**	-
	$ 3,251,382	**$ -**	**$ 20,501,078**	**$ 23,752,460**	$ 19,920,930

Pact, Inc. and Affiliates

Schedule of Program Expenditures and Cash Received of Non-U.S. Federal Government Awards – Pact, Inc.
Year Ended September 30, 2015

Funding Agency	Pact Ref.	Program or Project	Expenditures	Cash Received
UNICEF	P3058	UNICEF S. Sudan Project	$ 36,942	$ -
DANIDA	P3183	People to People Peace Building	(34,467)	-
AUSAID	P3186	Zimbabwe Civil Society Program	716,255	-
FCO	P3189	Transitional Areas Peace Fund 3	1,149	-
GLOBAL_FUND	P3190	GF Round & Tuberculosis Fund	514,026	(773,821)
GLOBAL_FUND	P3193	Malaria Control Towards Malaria Eradication	1,276,582	(911,962)
UNDP	P3201	Eastern Equatoria Stabilization Programme (EESP)	1,510	(21,846)
SIDA	P3206	SIDA-Women's Economic Empowerment	6,693	-
OAK_FOUNDATION	P3209	Establishment & Support Alt. Childcare Secretariat	2,258	-
NORWAY_MFA	P3214	South Sudan Peace Fund	(6,264)	-
UNDP	P3212	Warrap Stabilization Programme (WSP)	-	-
DMFA	P3220	Support to South Sudan Peace Fund II	678,234	(492,699)
FINLAND_EMBASSY	P3225	Civil Society National Healing Initiative II	3,983	-
WELLSPRING	P3217	SUPPPORTING HUMAN RIGHTS DEFENDERS	-	-
SIDA	P3229	Support EPS, NCSOCD, & LGSD	4,930,773	-
GLOBAL_FUND	P3048	Response to HIV/AIDS for OVC	-	-
DFID	P3231	BORDERS II	2,367,643	(2,073,486)
DFID	P3232	Civil Society Support for Peaceful Elections	(4,132)	-
EC	P3235	Urgent Fund-Post-Referendum Monitoring Project	470,532	(18,860)
FCO	P3240	Analyzing Irregularities in the 2013 Elections	(268)	-
KPMGEA	P3245	Strategic Climate Institutions Program (SCIP)	100,626	(72,143)
EDUCATION ABOVE ALL	P3248	REACH	764,740	(756,035)
EU	P3251	Enabling Capacity Programme 3	325,246	(403,369)
DFID	P3426	Zimbabwe Accountability and Artisanal Mining Progr	1,159,738	(1,032,848)
OMIDYAR FOUNDATION	P4042	Texty	(224)	-
DMFA	P4046	Belarus: Capacity Development and Civic Education	171,890	(260,641)
		Total non-U.S. federal government awards	$ 13,483,465	$ (6,817,710)

Pact, Inc. and Affiliates

Schedule of Program Expenditures and Cash Received – Pact Institute, Inc.
Year Ended September 30, 2015

Funding Agency	Pact Ref.	Program or Project	Expenditures	Cash Received
Context Partners Inc.	Z1734	Evaluation of Centennial Innovation Challenge Gran	$ 40,572	$ 25,711
The MasterCard Foundation	Z1735	Technology Enabled Monitoring and Evaluation Stran	2,853	-
Bill & Melinda Gates Foundation	Z3071	Strengthening MNCH Frontline Organizations in NE N	1,472,688	-
Dutch Ministry of Foreign Affairs	Z3072	Mineral Traceability in Eastern DRC	494	-
Chevron Corporation	Z3073	HIV/AIDS PMTCT in Bayelsa State	1,790,446	850,000
Foreign Affairs & Internat'l Trade Canada (DFAIT)	Z3074	START	64	(21,433)
QIT MAdagascar Minerals S.A.	Z3078	Improving Access to Education via Rio TintoÆs Scho	186,701	197,775
International Organization for Migration	Z3081	Working Towards Preventing & Reducing Violence	1,295	-
Ministry of Energy and Minerals, Tanzania	Z3082	ASM Small-scale Grants Scheme	(13,122)	64,614
University of Notre Dame	Z3083	Measuring local perceptions of progress toward PB	(2,305)	-
United Nations Children's Fund (UNICEF)	Z3084	Strengthening Systems for Child Protection in Mbey	2,231	-
Bill & Melinda Gates Foundation	Z3086	SAQIP	18,474	-
Bill & Melinda Gates Foundation	Z3087	Increasing Care Seeking Behavior in Nigeria	2,058,200	2,851,983
Department for International Development (DFID)	Z3087	Increasing Care Seeking Behavior in Nigeria	-	1,500,000
Conrad N. Hilton Foundation	Z3088	Hilton Foundation ECD	409,966	500,000
International Tin Research Institute (ITRI)	Z3089	ITRI Tin Supply Chain Initiative 2014	1,429,417	2,907,611
Ministry of Mines Ethiopia	Z3090	Support to improve the Economic, Social and	268,589	121,150
Aga Khan Foundation	Z3091	Capacity Development Support to Key Mozambican Civ	611	17,938
Population Services International (PSI)	Z3092	Strengthening P3 in Sexual and Reproductive Health	416,238	414,747
World Bank	Z3093	ASM Revenue Transparency in Burundi	73,074	49,997
British Foreign & Commonwealth Office (FCO)	Z3094	Voluntary Principles on Security and Human Rights	76,914	-
Embassy of Finland	Z3095	2014 Round Table Event for Local Fund Recipients	(75)	2,137
United Nations Children's Fund (UNICEF)	Z3096	ECD Think Tank	63,924	62,332
Embassy of Canada	Z3097	Canada RFP Management	3,922	5,880
Bill & Melinda Gates Foundation	Z3098	SAQIP	2,141,055	4,000,000
Corporate Donations	Z3099	Reducing Child Labor in DRC Mines	172,118	275,000
International Tin Research Institute (ITRI)	Z3100	iTSci 2015	5,703,838	4,501,149
George Mason University	Z3101	Everyday Peace Indicators (EPI)	5,271	4,981
DRC Ministry of Mines	Z3102	SAEP	359,630	611,746
Global Fund To Fight AIDS, Tuberculosis & Malaria	Z3103	Global Fund-Lesotho HIV/AIDS	434,401	1,319,982
United Nations Children's Fund (UNICEF)	Z3104	Integrated Child Protection Initiative for Vulnera	72,443	31,349
American Cancer Society, Inc.	Z3105	KENCASA Institutional Strengthening Project	10,705	166,097
Dutch Ministry of Foreign Affairs	Z3106	Scaling up Mineral Traceability in the Great Lakes	856,583	500,000
Visa International	Z3107	Visa Card Usage Behavior Change	25,523	525,000
Coffey International Development Limited	Z3108	KICS Phase II Inception	1,272	1,411
Population Services International (PSI)	Z3109	Nzatonse Phase II	22,783	-
World Bank	Z3110	Support to CSOs in Ethiopia - EITI	5,355	-
Vietnam Union of Science and Technology Association	Z4061	Implementation of the umbrella project of the GF	95,073	72,235
Department of Disease Control	Z4063	Strengthening SI system for CABA/VC under ACHIEVE	25,379	(10,654)
The Coca Cola Foundation	Z4071	Swan-yi: Empowered women build their own future	636,033	-
Swedish Internat'l Dev Cooperation Agency (SIDA)	Z4074	PROCEED	863,482	1,212,564
Rockefeller Foundation	Z4075	SEA Change	157	-
Chevron Corporation	Z4077	WomenÆs Business Development Project	44,359	(4,456)
Chevron Corporation	Z4078	Youth-ALLY	23,867	-
Plan International, Inc.	Z4080	Commune Child Friendly Governance Project	2	-
The Coca Cola Foundation	Z4081	The Mekong Vitality (Suc song Mekong) project	352,680	750,000
Chevron Corporation	Z4083	SHINE II Sustainable Health Improvement and empower	1,080,155	1,069,168
Global Fund To Fight AIDS, Tuberculosis & Malaria	Z4084	Organizational Capacity Building of Global Fund SR	6,670	-
Ooredoo Myanmar Limited	Z4085	Indefinite Quantity Contract for Community Develop	368,616	441,993
United Nations Programme on HIV/AIDS	Z4086	Institutional Development of the Myanmar National	78,492	80,797
United Nations Office for Project Svcs (UNOPS)	Z4087	Organizational capacity development for 3MDG local	279,860	550,000
Chevron Corporation	Z4088	Start-up phase for rural electrification project	190,343	203,225
Nat. Comm. for Sub-Nat. Democratic Develop. Secr.	Z4089	Social Accountability Strategy	46,141	46,000
KrisEnergy (APSARA) LTD	Z4090	Strengthening Women Entrepreneurs in Preah Sihanou	109,731	150,000
Google Inc	Z4091	Mekong ICT Bootcamp	39,651	45,000
ABB Pte. Ltd.	Z4092	Improving Access to Renewable Energy in Myanmar	12,816	51,000
Chevron Corporation	Z4094	Renewable Energy Project - Phase I	86,336	1,120,544
Stockholm Environment Institute	Z4095	Enabling Knowledge Sharing	24,912	24,948
The Coca Cola Foundation	Z4096	Water Access and Sanitation Hmaw-bi Township	18,867	154,225
The Coca Cola Foundation	Z4097	Swan Yi II	47,604	666,667
Chevron Corporation	Z4099	Flood Recovery Assistance Support	-	75,000
		Total program expenditures and cash received	$ 22,543,374	$ 28,185,413