Opportunity International, Inc.
and Affiliates

Consolidated Financial Statements and
Supplementary Information

September 30, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors of
Opportunity International, Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Opportunity International, Inc. and Affiliates (the Organization), which comprise the consolidated statement of financial position as of September 30, 2022, and the related consolidated statements activities, cash flows and functional expenses 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 financial position of the Organization as of September 30, 2022, 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 in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 17, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information presented in the Charitable activities, Banking activities and Eliminations columns on pages 3 and 4, the Combining Schedules of Statements of Financial Position – Banking Operations and the Combining Schedules of Statements of Activities – Banking Operations is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Chicago, Illinois
May 15, 2023

Opportunity International, Inc. and Affiliates

Consolidated Statement of Financial Position
September 30, 2022
(With Summarized Comparative Information as of September 30, 2021)

	2022				
	Charitable Activities	Banking Activities	Eliminations	Total	2021
Assets					
Cash and cash equivalents	$ 16,694,180	$ -	$ -	$ 16,694,180	$ 22,775,602
Restricted cash and investments	852,337	-	-	852,337	1,496,504
Pledges receivable, net	10,639,692	-	-	10,639,692	5,922,565
Investments, at fair value	7,079,718	-	-	7,079,718	1,528,399
Notes receivable, net	368,361	-	(98,832)	269,529	294,010
Donor-advised assets	200,779	-	-	200,779	217,868
Prepaid expenses and other assets	1,088,300	-	-	1,088,300	577,304
Investment in other institutions	15,552,655	-	-	15,552,655	15,317,645
Right of use assets, operating leases	2,491,182	-	-	2,491,182	-
Building, furniture and equipment, net	318,864	-	-	318,864	90,086
Assets of disposal group classified as held for sale	-	34,479,653	(201,540)	34,278,113	55,029,351
Total assets	$ 55,286,068	$ 34,479,653	$ (300,372)	$ 89,465,349	$ 103,249,334
Liabilities and Net Assets					
Accounts payable and accrued liabilities	$ 5,339,896	$ -	$ (201,540)	$ 5,138,356	$ 3,257,657
Notes payable	1,950,000	-	-	1,950,000	2,172,971
Deferred revenue	271,917	-	-	271,917	1,583,831
Right of use liability, operating leases	2,551,003	-	-	2,551,003	-
Liabilities of disposal group classified as held for sale	-	28,788,678	(98,832)	28,689,846	46,527,860
Total liabilities	10,112,816	28,788,678	(300,372)	38,601,122	53,542,319
Noncontrolling interest	-	2,240,882	-	2,240,882	3,483,276
Net assets:					
Without donor restrictions	24,858,797	3,450,093	-	28,308,890	29,920,685
With donor restrictions	20,314,455	-	-	20,314,455	16,303,054
Total net assets	45,173,252	3,450,093	-	48,623,345	46,223,739
Total liabilities and net assets	$ 55,286,068	$ 34,479,653	$ (300,372)	$ 89,465,349	$ 103,249,334

See notes to consolidated financial statements

Opportunity International, Inc. and Affiliates

Consolidated Statement of Activities
Year Ended September 30, 2022
(With Summarized Comparative Information for the Year Ended September 30, 2021)

	2022					
	Without donor restrictions					
	Charitable Activities	Banking Activities	Total	With Donor Restrictions	Total	2021
Operating Activities						
Charitable support, gains, and losses:						
Private contributions	$ 15,146,840	$ -	$ 15,146,840	$ 13,383,601	$ 28,530,441	$ 23,889,060
Government grants and contracts	1,080,734	-	1,080,734	3,228,718	4,309,452	2,658,987
Other income	307,588	-	307,588	-	307,588	1,525,414
Net assets released from restrictions	12,600,918	-	12,600,918	(12,600,918)	-	-
Total charitable support, gains and losses	29,136,080	-	29,136,080	4,011,401	33,147,481	28,073,461
Expenses						
Charitable expenses:						
Yield to program:						
Implementing partner operating expenses	3,540,251	-	3,540,251	-	3,540,251	5,242,381
Field program expenses	17,650,760	-	17,650,760	-	17,650,760	16,298,734
Total yield to program	21,191,011	-	21,191,011	-	21,191,011	21,541,115
Supporting services:						
Fundraising	5,073,588	-	5,073,588	-	5,073,588	3,914,213
General and administrative	1,632,964	-	1,632,964	-	1,632,964	1,665,532
Total supporting services	6,706,552	-	6,706,552	-	6,706,552	5,579,745
Total charitable expenses	27,897,563	-	27,897,563	-	27,897,563	27,120,860
Change in net assets from charitable operating activities	1,238,517	-	1,238,517	4,011,401	5,249,918	952,601
Discontinued Operations						
Net asset increase (decrease) from operations of discontinued activities	-	(3,156,955)	(3,156,955)	-	(3,156,955)	6,314,556
Decrease on sale and deconsolidation of discontinued operations	-	-	-	-	-	(11,141,122)
Change in net assets from discontinued operations	-	(3,156,955)	(3,156,955)	-	(3,156,955)	(4,826,566)
Nonoperating Activities						
(Loss) gain on investments	(935,751)		(935,751)		(935,751)	38,015
Noncontrolling interest in net loss (gain) of consolidated subsidiaries	-	1,242,394	1,242,394	-	1,242,394	(1,068,945)
Change in net assets from nonoperating activities	(935,751)	1,242,394	306,643	-	306,643	(1,030,930)
Change in net assets	302,766	(1,914,561)	(1,611,795)	4,011,401	2,399,606	(4,904,895)
Net Assets, Beginning	24,556,031	5,364,654	29,920,685	16,303,054	46,223,739	51,128,634
Net Assets, Ending	$ 24,858,797	$ 3,450,093	$ 28,308,890	$ 20,314,455	$ 48,623,345	$ 46,223,739

See notes to consolidated financial statements

Opportunity International, Inc. and Affiliates

Consolidated Statement of Cash Flows
Year Ended September 30, 2022
(With Comparative Information for the Year Ended September 30, 2021)

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	$ 4,314,167	$ 26,112,857
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	49,421	35,975
Noncash lease expense	59,821	-
Foreign currency translation loss	100,013	-
Net realized and unrealized (gain) loss on investments	558,602	(42,356)
Loss on investment in other institutions	639,991	7,116
Transfer of proceeds from the sale of discontinued operations	-	(19,460,076)
Transfer of equity investments	-	(7,252,673)
Deconsolidation of Opportunity Nicaragua	-	1,590,508
Changes in assets and liabilities:		
Pledges and other receivables	(4,717,127)	(1,106,614)
Prepaid expenses and other assets	(510,996)	77,435
Accounts payable and accrued liabilities	1,735,800	(1,625,823)
Deferred revenue	(1,311,914)	(327,222)
Net cash flows from operating activities of continuing operations	917,778	(1,990,873)
Cash Flows From Investing Activities		
Proceeds from sale of investments in other institutions	-	39,794
Purchase of investments in other institutions	(775,000)	(876,132)
Proceeds from sale of investments	55,949	137,168
Purchase of investments	(6,000,773)	-
Purchase of furniture and equipment	(278,199)	(81,490)
Proceeds on the sale of discontinued operations	-	19,460,076
Collection of notes receivable	130,618	47,705
Issuance of notes receivable	(404,981)	(200,000)
Net cash flows from investing activities of continuing operations	(7,272,386)	18,527,121
Cash Flows From Financing Activities		
Principal payments on notes payable	(222,971)	(10,723,898)
Net cash flows from financing activities of continuing operations	(222,971)	(10,723,898)
Net (decrease) increase in cash, cash equivalents and restricted cash	(6,577,579)	5,812,350
Cash, Cash Equivalents and Restricted Cash, Beginning	23,707,719	17,895,369
Cash, Cash Equivalents and Restricted Cash, Ending	$ 17,130,140	$ 23,707,719
End of Year Balance Includes Cash and Cash Equivalents Included in the Following Categories of the Statement of Financial Positions		
Cash and cash equivalents	$ 16,694,180	$ 22,775,602
Restricted cash and investments, cash advanced on conditional grant	235,181	714,249
Donor-advised assets	200,779	217,868
Total cash, cash equivalents and restricted cash at end of year	$ 17,130,140	$ 23,707,719
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	$ 52,466	$ 178,245
Supplemental Disclosure of Noncash Investing and Financing Transactions		
Conversion of notes receivable into investment in other institutions	$ 100,000	$ 210,000
Right-of-use assets obtained in exchange for new operating lease liability	$ 2,610,665	$ -

See notes to consolidated financial statements

Opportunity International, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended September 30, 2022
(With Summarized Comparative Information for the Year Ended September 30, 2021)

	2022				
	Charitable Activities				
	Yield to Program	Fundraising	General and Administrative	Total	2021 Total
Implementing partner operating expenses	$ 3,540,251	$ -	$ -	$ 3,540,251	$ 5,242,381
Support for Opportunity Inc.	152,096	-	-	152,096	123,237
Salaries and benefits	8,779,969	3,845,884	758,165	13,384,018	11,737,132
Rent and utilities	366,067	136,600	63,577	566,244	523,700
Travel and hosting	1,641,384	545,119	47,338	2,233,841	664,976
Professional fees	4,317,906	349,803	377,402	5,045,111	5,066,300
Miscellaneous expense	177,184	20,608	26,127	223,919	1,502,516
Interest expense	52,466	-	-	52,466	178,245
Telephone	116,354	17,991	65,876	200,221	131,366
Depreciation expense	16,761	-	32,660	49,421	35,975
Board meetings and conferences	54,843	8,276	11,521	74,640	40,388
Supplies, printing and office equipment	936,463	73,299	177,925	1,187,687	1,210,490
Income and value added tax expense	116,355	-	-	116,355	99,303
Postage and shipping	94,546	20,904	4,794	120,244	23,910
Training	665,496	29,190	12,475	707,161	359,506
Promotional materials	45,960	25,914	3,766	75,640	28,805
Donor-advised grant expense	59,089	-	-	59,089	40,000
Insurance	57,821	-	51,338	109,159	112,630
Total expenses	$ 21,191,011	$ 5,073,588	$ 1,632,964	$ 27,897,563	$ 27,120,860

See notes to consolidated financial statements

1. Organization

Opportunity International, Inc., d/b/a/ Opportunity International - U.S. (Opportunity), is a tax-exempt, publicly supported faith-based corporation. By providing financial services, support and training, we empower people living in poverty to build sustainable incomes, educate their children and escape generational poverty, in the process transforming their lives, their children's futures and their communities. Opportunity's programs are financed through charitable donations, earned income from its banking operations and focused on deploying local funds and financial services, provided by partner banks and other financial institutions to its clients.

Opportunity implements its programs through a worldwide network of staff, branches, subsidiary banks and local nongovernmental organizations, as well as local Implementing Partners - commercial and nonprofit and microfinance institutions. Opportunity's programs are designed to maximize the local partner disbursement of loans, provision of savings accounts, remittance and other services to its clients, alongside the training and support provided by Opportunity to them. In all this, Opportunity's objective is to increase empowerment, entrepreneurship and employability amongst bottom-of-the-pyramid households, as evidenced by an increase in regular income and quality of life standards. Opportunity maintains a minority equity interest in a number of key Implementing Partners to ensure a long-term alignment of interest in serving the poor. Opportunity uses its charitable donations to invest equity, fund its direct operations, especially in its Education Finance, Agricultural Finance, and Digital Financial Services, and support its Implementing Partners. Its operating model results in the disbursed value of loans each year valuing on average 10 times the total of the charitable donations received.

Accounts of only the majority owned subsidiaries - banks and nongovernmental organizations - of Opportunity are included in the consolidated financial statements. These are listed below. Accounts of Implementing Partners, given that these are aligned but independent entities, are not included in these consolidated financial statements.

Effective June 19, 2000, Opportunity incorporated Opportunity Transformation Investments (OTI), which is intended to invest in and hold ownership positions in microfinance institutions. OTI's board of directors is controlled by Opportunity. Accordingly, OTI and its controlled banks are consolidated in Opportunity's financial statements. If a controlling interest is acquired in more than one transaction at different dates, cost is determined separately for the percentage of ownership interest in net assets acquired at the date of each transaction. All intercompany transactions have been eliminated in consolidation.

The controlling interests in microfinance organizations included in discontinued operations as of September 30, 2022 and September 30, 2021 are as follows (note 7):

> Opportunity International Savings & Loans Limited in Ghana (Opportunity Bank Ghana) - OTI owned 60.6% of the shares of Opportunity Bank Ghana as of September 30, 2022 and September 30, 2021. On November 10, 2020, the shareholders signed an agreement to sell 25% of the shares of Opportunity Bank Ghana owned by minority shareholders to an unrelated third party. Proceeds from the buyer were received and included in cash as of September 30, 2022 pending distribution to the selling shareholders.

During 2017 and 2018, Opportunity incorporated entities in Ghana, Malawi, Rwanda and Uganda. During 2022, Opportunity incorporated entities in Democratic Republic of the Congo, Colombia and the United Kingdom. The entities are controlled and funded by Opportunity to implement program work in the local communities. The assets and liabilities of the entities are included in charitable assets and liabilities on the consolidated statement of financial position and the revenue and expenses are included in charitable activities on the consolidated statement of activities.

2. Summary of Significant Accounting Policies

Basis of Presentation

Opportunity's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles and are presented on the accrual basis of accounting.

Charitable Activities – This category reports Opportunity's fundraising activities performed in the United States of America and global program implementation.

In order to ensure the observance of limitations and restrictions placed on the use of available resources, Opportunity maintains its accounts in accordance with the principles and practices of fund accounting. This is the procedure by which resources are classified into funds established according to their nature and purpose. For external reporting purposes, however, Opportunity's consolidated financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions.

Net assets and related activities are classified as without donor restrictions or with donor restrictions as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions, which include capital and accumulated earnings or deficits at each subsidiary bank, consist of the following as of September 30, 2022 and 2021:

	2022	2021
Net assets without donor restrictions of continuing operations:		
Opportunity International – United States	$ 24,858,797	24,556,031
Net assets without donor restrictions of disposal group classified as held for sale:		
Opportunity Bank Ghana	3,450,093	5,364,654
Total	$ 28,308,890	29,920,685

The net assets of the banks, net of noncontrolling interest, are without donor restrictions as they are not subject to donor restrictions; however, banking regulators in each jurisdiction have minimum capital requirements, which could limit access to these net assets.

With Donor Restrictions – Net assets that are subject to donor-imposed restrictions that will be met either by actions of Opportunity or by the passage of time. Net assets with donor restrictions are available for the following purposes or periods as of September 30, 2022 and 2021:

	2022	2021
Pledges receivable, net	$ 10,639,692	$ 5,922,565
Programs in Latin America	1,104,729	648,630
Programs in Asia	323,780	512,437
Programs in Africa	1,256,848	749,291
Agriculture finance programs	4,833,508	4,257,674
Other programs	2,155,898	4,212,457
Total	$ 20,314,455	$ 16,303,054

Net assets were released from donor restrictions during the years ended September 30, 2022 and 2021 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows:

	2022	2021
Programs in Africa	$ 1,447,067	$ 1,464,833
Programs in Latin America	1,594,742	1,579,918
Programs in Asia	316,690	1,306,029
Education finance programs	5,027,176	4,591,810
Agriculture finance programs	3,051,852	2,924,553
Other programs	1,163,391	4,916,198
Total	$ 12,600,918	$ 16,783,341

Banking Activities – This category reports the consolidated results of the commercial banks in which OTI has investments of greater than 50% or a controlling interest. Assets and liabilities of foreign investments are translated at year-end exchange rates, with the related translation adjustments reported as a change in net assets without donor restrictions. Income statement accounts are translated at the average exchange rate during the period. Minority investors own portions of Opportunity Bank Ghana that OTI has a controlling interest in. The outside investors' shares are shown in Opportunity's consolidated financial statements as noncontrolling interest.

Revenue and Expense

Revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

Private gifts, including unconditional pledges, are recognized in the period received. Conditional pledges, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend are met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful pledges receivable is provided based upon management's judgment considering such factors as prior collection history, type of contribution and nature of fundraising activity. Contributions received with donor-imposed restrictions are reported as revenue of the net asset without restrictions if those restrictions are met within the same year as received. Donor-restricted contributions received and whose restrictions were met within the same year were $9,973,565 and $9,227,150 in 2022 and 2021, respectively.

Revenue from government grant and contract agreements is recognized as it is earned through expenditure or satisfaction of agreed deliverables in accordance with the agreements. Amounts received in advance of expenditure are recorded as deferred revenue until recognized over the grant period.

The consolidated results of the banks presented in the accompanying consolidated financial statements recognize fee and commission income for the services provided by each bank. Fee and commission income are recognized when the related service is performed. Loan fees are offset by the costs of originating such loans.

Opportunity records in-kind support for contributed equipment and contributed professional services. Contributed equipment and services are recorded at fair value. Opportunity recorded $185,642 and $195,575 as private contribution revenue in the accompanying consolidated statement of activities, and the corresponding amount was included as fundraising travel and event expense and professional fees in field program expenses in the accompanying consolidated statement of activities for 2022 and 2021, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and 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 may differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid, short-term investments with original maturities of 90 days or less.

Restricted Cash and Investments

Restricted cash and investments are subject to donor restrictions at September 30, 2022 and 2021 and consist of investments to support the annuity obligation and loan guarantees.

Pledges Receivable

Unconditional promises to give made to Opportunity are recorded in the year the pledge is made. Amounts that are expected to be collected after one year have been discounted between 0.14% and 4.39% and are reflected in the financial statements at their net present value. An allowance for uncollectible promises to give is determined based on experience. At September 30, 2022 and 2021, an allowance for uncollectible promises was recorded of approximately $728,000 and $335,000, respectively. The discount on pledges due beyond one year is $159,603 and $27,635 as of September 30, 2022 and 2021, respectively.

At September 30, 2022, pledges receivable of $4,874,288 are due within one year, $6,253,377 are due within one to five years and $400,000 are due within five to ten years.

Investments

Investments in securities are reported at fair value based on quoted market prices for publicly traded securities and estimates provided by investment managers for nonmarketable investments in certain closely held companies. Donated investments are recorded at fair value at the date of the gift and, based on Opportunity's investment policy, are generally liquidated within 30 days.

Investment in Financial Institutions

Investments in financial institutions in which OTI holds less than 50% or does not have control but still maintains significant influence are recorded using the equity method of accounting. Accordingly, the initial investment is increased or decreased by Opportunity's proportionate share of income or loss.

OTI reviews investments in financial institutions for impairment whenever events or changes in circumstances indicate the carrying amount of the investment may not be recoverable. There were no changes in events or circumstances needing OTI to recognize impairment losses on its investments in financial institutions in the years ended September 30, 2022 and 2021.

Allowance for Loan Losses on Assets of Disposal Group Classified as Held for Sale

Allowances have been established for loan losses that are probable as of the statement of financial position date. While the allowance calculation varies by country, each OTI member assesses exposure to its loan portfolio on both an individual and group level. Individually significant loans are evaluated for specific impairment based on management's best estimate of the timing and amount of future cash flows that will be collected. Groups of loans with similar credit risk characteristics that are not individually significant are collectively evaluated for impairment on the basis of historical loss experience adjusted for current economic conditions, the value of the underlying collateral and management's judgment.

Management believes that these allowances represent the best estimate of the credit losses inherent in the loan portfolio. While management uses available information to recognize losses on loans, future additions to the allowances may be necessary based on changes in economic or political conditions or significant changes in the borrower's financial position. OTI monitors credit risk exposure by product and by customer and regularly reviews the methodology and assumptions used for estimating future cash flows in order to reduce any differences between loss estimates and actual loss experience.

A loan is considered impaired when it is probable that all principal and interest amounts due will not be collected in accordance with the loan's contractual terms. Impairment is recognized by recording an allowance for loan losses (or specific reserves) to such a loan to the extent that the recorded investment of an impaired loan exceeds its value. A loan's value is based on the loan's underlying collateral or the calculated present value of projected cash flows discounted at the contractual interest rate. Allowance or specific reserves on impaired loans are considered in relation to the overall adequacy of the allowance for loan losses and adjustments are made to the provision for loan losses as deemed necessary.

The recorded investment in impaired loans is periodically adjusted to reflect cash payments, changes in underlying collateral values, revised estimates of future cash flows and increases in the present value of expected future cash flows due to the passage of time. Cash payments representing interest income are reported as such. Other cash payments are reported as reductions in recorded investment. Increases or decreases due to changes in estimates of future payments and the passage of time are considered in relation to the overall adequacy of the allowance for loan losses.

Building, Furniture and Equipment

Building, furniture and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives of 3-10 years. Accumulated depreciation on leasehold improvements, furniture and equipment of charitable activities was $167,110 and $235,274 at September 30, 2022 and 2021, respectively.

Charitable Gift Annuities

Opportunity has a gift annuity program whereby it enters into irrevocable contracts with certain donors. Opportunity agrees to make payments to donors at prescribed intervals over the life of the donor. The assets received are recorded at their fair value and the related liability is recorded as an annuity obligation. Annuity obligations are recorded at the present value of expected future payments based on the Internal Revenue Service (IRS) mortality tables and the prevailing interest rate. A discount rate of 3.6% and 1.0% was utilized as of September 30, 2022 and 2021, respectively. The difference is classified as contributions without donor restrictions on the consolidated statement of activities and changes in net assets. Opportunity maintains charitable gift annuities in a separate portfolio and the assets are invested in accordance with applicable state laws.

Expense Allocation

Costs of providing program and support services have been reported on a functional basis in the statement of functional expenses. Costs have been allocated between the various program and support services as follows: salaries and wages and employee benefits are allocated based on time and effort and occupancy costs are allocated based on employee headcount. All other expenses are directly assigned to a functional classification based on the nature of the activity. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

Opportunity and OTI have received determination letters from the IRS indicating that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended. Accordingly, Opportunity and OTI are not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. No provision for federal or state income taxes has been made as Opportunity and OTI are not engaged in any unrelated business income activities. Opportunity and OTI believe they have taken no significant uncertain tax positions as of September 30, 2022 and 2021.

Opportunity Bank Ghana included in the accompanying consolidated financial statements pays taxes in accordance with its country's laws at the rate of 30% of taxable income and current tax expense is recorded for these amounts. Income tax expense is included in gain (loss) from discontinued activities on the consolidated statement of activities. Income taxes for the overseas for-profit microfinance institutions are accounted for under the asset-and-liability method. Deferred taxes and liabilities are recognized for the future consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax carryforwards. Deferred tax assets and liabilities are measured using currently enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Comparative Financial Information

The consolidated 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. generally accepted accounting principles. Accordingly, such information should be read in conjunction with Opportunity's consolidated financial statements for the year ended September 30, 2021, from which the summary information was derived.

Leases

Effective October 1, 2021, Opportunity adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842),* and all related amendments using the modified retrospective approach. Opportunity's 2021 financial statements continue to be accounted for under the FASB's Topic 840 and have not been adjusted.

ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the non-cancelable lease term. At the date of adoption, Opportunity did not have any material leases.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, Opportunity elected:

- The package of practical expedients permitted under the transition guidance which does not require Opportunity to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs; and

- The practical expedient to use hindsight in determining the lease term (that is, when considering options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of Opportunity's right-of-use assets.

The new standard also provides for several accounting policy elections, as follows:

- Opportunity has elected the policy not to separate lease and nonlease components for all asset classes;

- When the rate implicit in the lease is not determinable, rather than use Opportunity's incremental borrowing rate, Opportunity elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes; and

- Opportunity elected not to apply the recognition requirements to all operating leases with an original term of 12 months or less, for which Opportunity is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 10.

Adopted Accounting Standards

During 2022, Opportunity adopted FASB ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. Adopting ASU No. 2020-07 did not have a significant impact on the financial statements of Opportunity.

3. Liquidity and Availability

Opportunity has various practices in place to ensure sufficient resources are available to fund the general obligations, including general expenditures, liabilities and other obligations as they become due. In general, Opportunity uses the cash and other financial assets collected during the year to fund expenses for the same year.

Cash and other financial assets (excluding discontinued operations) available within one year at September 30, 2022 and 2021:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	$ 16,694,180	$ 22,775,602
Pledges receivable, net	10,639,692	5,922,565
Investments, at fair value	7,079,718	1,528,399
Notes receivable, net	368,361	294,010
Total financial assets	34,781,951	30,520,576
Less commitments beyond one year:		
Pledges receivable, net	(6,653,377)	(2,905,213)
Total available within one year	$ 28,128,574	$ 27,615,363

4. Fair Value of Financial Instruments

Opportunity follows ASC Topic 820, Fair Value Measurement, as amended, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels: quoted market prices in active markets for identical assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for an asset or liability (Level 3).

Opportunity's notes receivable, other receivables and notes payable in the accompanying consolidated financial statements are generated by the charitable activities of Opportunity. The terms of these notes and loans are not commensurate with current market terms in a commercial environment, as they are executed for the purpose of furthering Opportunity's mission. Fair value cannot be determined for these notes and loans due to their charitable nature and they are carried at book value in Opportunity's consolidated financial statements.

Unconditional pledges are recognized initially at fair value as contribution revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. These inputs to the fair value estimate are considered Level 3 in the fair value hierarchy. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary.

Opportunity's other financial instruments, including cash and cash equivalents, accrued interest and expenses and deferred revenue, are carried at historical cost, which approximates their fair values because of the short-term nature of these instruments. At September 30, 2022 and 2021, Opportunity's cash and investments and investment securities are accounted for at fair value using the fair value hierarchy of ASC Topic 820 and investments measured at net asset value are as follows:

	September 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds, unrestricted cash equivalents	$ 214,906	$ -	$ -	$ 214,906
Money market funds, restricted cash equivalents	617,158	-	-	617,158
Corporate bonds	5,803,431	-	-	5,803,431
Other investments	-	-	160,533	160,533
Investments in the fair value hierarchy	6,635,495	-	160,533	6,796,028
Investments measured at net asset value	-	-	-	900,848
Total investments	$ 6,635,495	$ -	$ 160,533	$ 7,696,876

	September 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds, unrestricted cash equivalents	$ 253,013	$ -	$ -	$ 253,013
Money market funds, restricted cash equivalents	782,255	-	-	782,255
Common stock	16,970	-	-	16,970
Other investments	-	-	160,467	160,467
Investments in the fair value hierarchy	1,052,238	-	160,467	1,212,705
Investments measured at net asset value	-	-	-	1,098,598
Total investments	$ 1,052,238	$ -	$ 160,467	$ 2,311,303

In accordance with the fair value measurements and disclosures guidance, the following table presents the category, fair value, redemption frequency and redemption notice period for Opportunity's investments, the fair values of which are estimated using the net asset value per share as of September 30, 2022 and 2021. Opportunity has a remaining commitment of $5,192 related to the below investments.

	2022	2021	Redemption Frequency	Redemption Notice Period
Private equity fund *	$ 135,712	$ 291,071	N/A	N/A
SEAF Serbia Impact Fund B.V. **	765,136	807,527	N/A	N/A
Total	$ 900,848	$ 1,098,598		

* The fund is a closed private equity fund focused on early stage investments in the healthcare sector.

** The fund makes investments in companies organized and conducting business in the Republic of Serbia.

5. Investments and Investment in Other Institutions

Investments consist of the following as of September 30, 2022 and 2021:

	2022	2021
Short-term investments	$ 511,151	$ 703,902
SEAF Serbia Impact Fund B.V.	765,136	807,527
Common stock	-	16,970
Corporate bonds	5,803,431	-
Total investments at fair value	$ 7,079,718	$ 1,528,399

Investment loss, net of eliminations, from charitable activities for the years ended September 30, 2022 and 2021 consists of the following:

	2022	2021
Dividends	$ 172,112	$ 2,775
Interest Income	90,730	-
Realized gain on investments	33,047	146,786
Unrealized loss on investments	(591,649)	(104,430)
Equity loss from other institutions	(639,991)	(7,116)
(Gain) loss on investments, net	$ (935,751)	$ 38,015

Opportunity and OTI hold varying noncontrolling interests in other institutions as follows:

	2022	2021
Growing Opportunity Finance (India) Pvt. Ltd (0.8%)	$ 55,547	$ 55,547
Dia Vikas Capital Pvt. Ltd-India (9.9%)	3,542,199	3,542,199
Opportunity Bank Uganda Limited (46.5% and 42.5%, respectively)	4,113,383	3,354,590
COOP ASPIRE (2.3%)	100,000	100,000
3 Bank (20%)	7,741,526	8,265,309
Total investment in other institutions	$ 15,552,655	$ 15,317,645

Equity loss, including foreign currency loss, from the investment in other institutions consists of the following:

	2022	2021
Dia Vikas Capital Pvt. Ltd, India	-	50,310
Opportunity Bank Uganda Limited	(116,208)	(1,070,062)
3 Bank	(523,783)	1,012,636
Total equity loss from other institutions	$ (639,991)	$ (7,116)

6. Notes Receivable

Notes receivable as of September 30, 2022 and 2021 are as follows:

	2022	2021
Association de Oportunidad y Desarrollo Economico de Nicaragua (ASODENIC), interest rate 0%	$ 10,000	$ 10,000
Opportunity Bank Uganda, interest rate 0%	70,731	100,000
COOP ASPIRE, interest rate 4%	66,168	116,785
Opportunity International Nicaragua, interest rate 2%	200,000	200,000
Crezcamos, interest rate 4%	-	77,225
Asociación General para Asesorar Pequeñas Empresas (AGAPE), interest rate 0%	132,630	-
Subtotal notes receivable	479,529	504,010
Less allowance for uncollectible amounts	(210,000)	(210,000)
Total net notes receivable	$ 269,529	$ 294,010

Notes receivable of $100,000 and $210,000 from Opportunity Bank Uganda were converted to equity during 2022 and 2021, respectively.

7. Discontinued Operations

Opportunity considers a component to be classified as discontinued operations when it meets the criteria established under ASU No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.* Disposals that represent a strategic shift that should have or will have a major effect on Opportunity's operations and financial results qualify as discontinued operations. The results of discontinued operations are reported in discontinued operations in the consolidated statement of activities for current and prior periods commencing in the period in which the business meets the criteria of a discontinued operation and include any gain or loss recognized on closing or adjustment of the carrying amount to fair value less cost to sell.

Because banking activities are a major part of OTI's operations and financial results, OTI has determined that the decision to divest of majority ownership positions in banks represents a strategic shift. Accordingly, the assets and liabilities of the banking activities located in Ghana have been segregated and reported as held for sale in the consolidated statement of financial position as of September 30, 2022, with comparative presentation for 2021. Furthermore, all banking activities have been reported as discontinued operations in the consolidated statement of activities for all periods presented. A decrease of net assets of $9,550,614 was recorded in 2021 on the sale of shares and deconsolidation of Opportunity Serbia.

On November 19, 2020, OTI sold 78% of its shares in Opportunity Bank Serbia to unrelated third parties in accordance with a 2019 agreement. On February 17, 2021, OTI sold 2% of its shares to the senior managers of in Opportunity Bank Serbia. Opportunity Bank Serbia changed its name to 3 Bank in 2021.

Upon sale of the shares, Opportunity retained 20% of Opportunity Bank Serbia which it now accounts for under the equity method (see Note 5). The summary of the transaction is as follows:

Unrestricted net assets related to Opportunity Bank Serbia as of September 30, 2020	$ 32,661,865
Increase in net assets through dates of sale	3,601,498
Unrestricted net assets related to Opportunity Bank Serbia as of sale dates	36,263,363
Less 20% retained ownership balance transferred to equity investments (Note 5)	(7,252,673)
Carrying value of net assets sold	29,010,690
Proceeds of sale, net of expenses	19,460,076
Decrease in net assets on sale of Opportunity Bank Serbia shares	$ (9,550,614)

On November 10, 2020, the shareholders signed an agreement to sell 25% of the shares of Opportunity Bank Ghana owned by minority shareholders to an unrelated third party. Proceeds from the buyer were received and included in cash as of September 30, 2022 pending distribution to the selling shareholders. Opportunity expects the process of dilution of its shareholdings in Opportunity Bank Ghana to minority status to be extended given the unsettled economic conditions in Ghana, including inflation rates upwards of 50%.

In accordance with mutually agreed revisions to the by-laws of Opportunity Nicaragua, Opportunity no longer controls Opportunity Nicaragua effective October 1, 2020 and the financial statements of Opportunity Nicaragua are not included in the 2021 consolidated financial statements of Opportunity. The deconsolidation of Opportunity Nicaragua resulted in a decrease of $1,590,508 in net assets in 2021.

The following tables present a reconciliation of the carrying amounts of major classes of assets and liabilities of the discontinued operations to total assets and liabilities of the disposal group classified as held for sale in the consolidated statement of financial position as of September 30, 2022 and 2021:

	2022	2021
Carrying amounts of major classes of assets included as part of discontinued operations:		
Cash and cash equivalents	$ 11,995,784	$ 22,378,232
Loans receivable, net allowance	15,301,912	26,115,452
Prepaid expenses and other assets	3,948,140	4,374,045
Building, furniture and equipment, net of accumulated	3,233,817	2,508,061
Total assets of the disposal group classified as held for sale in the consolidated statements of financial position	$ 34,479,653	$ 55,375,790

	2022	2021
Carrying amounts of major classes of liabilities included as part of discontinued operations:		
Accounts payable and accrued liabilities	$ 3,406,591	$ 2,659,118
Deposits from customers	22,844,557	39,381,444
Notes payable	2,140,075	3,805,499
Deferred revenue	397,455	681,799
Total liabilities of the disposal group classified as held for sale in the consolidated statements of financial position	$ 28,788,678	$ 46,527,860

The following table represents a reconciliation of the major classes of line items, constituting the results of discontinued operations for the years ended September 30, 2022 and 2021:

	2022	2021
Major classes of line items constituting the loss of discontinued operations:		
Revenue:		
Loan interest income	$ 13,563,714	$ 20,204,979
Other fees and income	1,684,544	5,918,955
Total revenue	15,248,258	26,123,934
Expenses:		
Interest	1,896,265	3,615,178
Provision for loan losses	756,360	(970,764)
Management and general, including income tax expense	11,813,961	17,527,149
Total operating expenses	14,466,586	20,171,563
Nonoperating activities:		
Decrease in net assets due to sale and deconsolidation of Opportunity Serbia	-	(9,550,614)
Deconsolidation of Opportunity Nicaragua	-	(1,590,508)
Net unrealized gain on foreign currency translation	(3,938,627)	362,185
Gain (loss) from discontinued banking activities	(3,156,955)	(4,826,566)
Net (gain) loss attributable to noncontrolling interests	1,242,394	(1,068,945)
Net gain (loss) attributable to OTI	$ (1,914,561)	$ (5,895,511)

For the year ended September 30, 2022, total operating, investing and financing cash flows from discontinued operation were $(2,993,677), $10,813,540 and $(18,202,311), respectively. For the year ended September 30, 2021, total operating, investing and financing cash flows from discontinued operation were $3,541,818, $(3,193,414) and $14,920,586, respectively.

8. Deferred Revenue and Notes Payable

Opportunity received $1,068,700 and $994,200 Paycheck Protection Program loans under the CARES Act in 2021 and 2020, respectively. The loans were classified as conditional grants and included in deferred revenue until forgiven. The proceeds of the loans were used for payroll and eligible expenses per the loan agreements. The $1,068,700 and $994,200 loan amounts forgiven are included in 2022 and 2021 government grant revenue, respectively. Total deferred revenue of $271,917 and $1,583,831 as of September 30, 2022 and 2021, respectively, represent funds received for conditional grants.

Charitable notes payable as of September 30, 2022 and 2021 include the following:

	2022	2021
Charitable notes payable:		
Note payable, 2% interest, maturity October 2024	$ 100,000	$ 100,000
Note payable, 3% interest, maturity November 2023	500,000	500,000
Note payable, 2% interest, maturity August 2024	1,000,000	1,000,000
Note payable, 2% interest, maturity January 2024	50,000	50,000
Note payable, 3% interest, maturity October 2023	100,000	100,000
Note payable, 2% interest, maturity February 2025	200,000	200,000
Note payable, 0% interest, November 2021	-	222,971
Total charitable notes payable	$ 1,950,000	$ 2,172,971

Impact Investment Fund notes of $1,950,000 and $2,172,971 outstanding as of September 30, 2022 and 2021, are included in charitable notes payable. Maturities range from one to five years. Annual interest is 0% to 3%.

Aggregate maturities of notes payable as of September 30, 2022 are as follows:

FY 2023	$ -
FY 2024	1,650,000
FY 2025	300,000
Total notes payable	$ 1,950,000

9. Noncontrolling Interest

Below is the activity of the noncontrolling interest for the years ended September 30, 2022 and 2021:

	September 30, 2022			
	Beginning balance	Interest in loss of consolidated subsidiary	Increase (decrease) in share capital	Ending balance
Noncontrolling interest of disposal group classified as held for sale:				
Opportunity Bank Ghana	$ 3,483,276	$ (1,242,394)	$ -	$ 2,240,882

	September 30, 2021			
	Beginning balance	Interest in gain of consolidated subsidiary	Increase (decrease) in share capital	Ending balance
Noncontrolling interest of disposal group classified as held for sale:				
Opportunity Bank Ghana	$2,414,331	$1,068,945	$ -	$3,483,276

10. Leases, Commitments and Contingencies

Lease Obligations, Prior to October 1, 2021

Opportunity leases office space in Illinois, Pennsylvania and Malawi under operating leases. The Pennsylvania and Malawi offices are rented on a month-to-month basis. Effective December 17, 2018, Opportunity sublet 40% of the Chicago office space to an unrelated party for the balance of the lease term. Net rent and utilities expense for the year ended September 30, 2021 was $523,700.

Lease Obligations, October 1, 2021 and After

Opportunity leases office space in Illinois, United Kingdom, Uganda, Malawi and Pennsylvania under operating leases. The Pennsylvania office is rented on a month-to-month basis. Net rent and utilities expense for the year ended September 30, 2022 was $566,244.

Opportunity Bank Ghana leases office space and equipment in Ghana.

Right-of-use assets represent Opportunity's right to use an underlying asset for the lease term, while lease liabilities represent Opportunity's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of Opportunity's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at Opportunity's sole discretion. Opportunity regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, Opportunity includes such options in the lease term. Additionally, upon adoption of the new standard, Opportunity made judgments regarding lease terms for certain of its real property leases that were in month-to-month status or that contained auto-renewal clauses. Opportunity estimated a lease end date based on the required length of usage of the property and calculated a right-of-use asset and lease liability with the resulting estimated lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, Opportunity uses the rate implicit in the lease, or if not readily available, Opportunity uses a risk-free rate based on U.S. Treasury note or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with Opportunity's long-lived asset policy. Opportunity reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

Opportunity made significant assumptions and judgments in applying the requirements of Topic 842. In particular, Opportunity:

- Evaluated whether a contract contains a lease, by considering factors such as whether Opportunity obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;

- Determined whether contracts contain embedded leases; and

- Determined for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments;

Opportunity does not have any material leasing transactions with related parties.

The following table summarizes the operating lease right-of-use assets and operating lease liabilities as of September 30, 2022:

Operating lease right-of-use assets	$ 2,491,182
Operating lease liabilities	
Current	$ 202,335
Long-term	2,348,668
Total operating lease liabilities	$ 2,551,003

Below is a summary of expenses incurred pertaining to leases during the year ended September 30, 2022:

Operating lease expense	$ 354,739
Short-term lease expense	96,439
Variable lease expense	115,066
Total lease expense	$ 566,244

The right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 2.6%. As of September 30, 2022, the weighted average remaining lease term was 9.06 years.

The table below summarizes Opportunity's scheduled future minimum lease payments for years ending after September 30, 2022:

Years ending September 30:	
2023	$ 202,335
2024	357,634
2025	266,366
2026	301,219
2027	296,020
Thereafter	1,491,391
Total lease payments	2,914,965
Less present value discount	(363,962)
Total lease liabilities	2,551,003
Less current portion	(202,335)
Long-term lease liabilities	$ 2,348,668

The following table includes supplemental cash flow and noncash information related to the leases for the year ended September 30, 2022:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 294,918
Operating lease right-of-use assets obtained in exchange for lease liabilities	2,610,665

Line of Credit

As of September 26, 2022, Opportunity has available a line of credit from Citibank in the amount of $5,000,000. The credit is priced at the greater of One Month Term SOFR plus 0.11448% or 0.50% plus 1.75% (4.91% as of September 30, 2022) and is secured by Opportunity's bond securities held in the investment accounts at Citibank. There was no balance outstanding on the line of credit as of September 30, 2022. The line of credit expires on July 31, 2023.

Reserve and Regulatory Capital Requirements

OTI's foreign for-profit microfinance company has certain regulatory capital requirements that it must maintain.

The Bank of Ghana requires Opportunity Bank Ghana to maintain a prescribed ratio of total capital to total risk-weighted assets. A minimum capital adequacy ratio of 10% must be maintained. As of September 30, 2022 and 2021, Opportunity Bank Ghana met these regulatory requirements.

11. Employee Benefit Plan

Domestic and expatriate employees of Opportunity who have completed three months of service are eligible to participate in a defined-contribution benefit plan (403(b) plan) sponsored by Opportunity. Participants are eligible to make individual contributions up to a limit determined by age and salary level. Non-U.S. employees are covered by local retirement plans. Benefit expense representing Opportunity's matching and discretionary contributions to the plans amounted to $652,103 and $591,230 for the years ended September 30, 2022 and 2021, respectively, and is included in salaries and benefits on the consolidated statement of functional expenses.

12. Related-Party Transactions

Included in program services in the consolidated statement of activities are grant expenses of $3,692,347 and $5,365,618 in 2022 and 2021, respectively, which relate to disbursements made by Opportunity to its affiliated organizations.

Pledges for future donations of $2,317,000 and $1,085,050 were due from board members of Opportunity as of September 30, 2022 and 2021, respectively.

13. Risk and Uncertainties

The commercial microfinance bank in which OTI holds an interest is exposed to a number of risks. The following outlines some of these risks:

Credit Risk

Credit risk is the risk of financial loss arising from the failure of a customer to settle financial obligations to the bank as they fall due. This is an inherent risk associated with the microfinance industry. OTI's financial institutions manage exposure to credit risk on a regular basis by closely monitoring credit limits, loan portfolios and concentration of exposure. Credit policies cover collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.

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. The risk is managed by each OTI financial institution by controlling the size of the difference in value between foreign assets and foreign liabilities. The exposure to exchange rate risk is continually monitored to ensure compliance with regulatory and bank policy limits.

Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. OTI financial institutions manage interest rate risk by monitoring market conditions and applying pricing based on the cost analysis of each product.

Liquidity Risk

Liquidity risk is the risk that the banks will encounter difficulty in raising funds to meet the commitment associated with financial instruments. Each country has minimum capital requirements that the microfinance institutions must meet. Additionally, each institution monitors liquidity on a daily basis to meet its internal liquidity requirements. Total cash on hand of Opportunity Bank Ghana is approximately $12.0 million and $22.4 million as of September 30, 2022 and 2021, respectively, which is approximately 34.8% and 40.4% of total assets of Opportunity Bank Ghana, held for sale in 2022 and 2021, respectively.

14. Subsequent Events

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through May 15, 2023, the date the consolidated financial statements were available to be issued.

Lease Agreement

Opportunity entered into a one year lease agreement in January 2023 for office space in Washington D.C. at an annual rate of $36,000.

Reserve and Regulatory Capital Requirements

As of May 15, 2023, OTI's foreign for-profit microfinance subsidiary in Ghana met the regulatory requirements of Ghana.

September 30, 2022	Opportunity Bank Ghana
Banking Assets	
Cash and cash equivalents	$ 11,995,784
Loans receivable, net of allowance	15,301,912
Prepaid expenses and other assets	3,948,140
Building, furniture and equipment, net of accumulated depreciation	3,233,817
Total banking assets	$ 34,479,653
Banking Liabilities	
Accounts payable and accrued liabilities	$ 3,406,591
Deposits from customers	22,844,557
Notes payable	2,140,075
Deferred revenue	397,455
Total banking liabilities	28,788,678
Unrestricted net assets, banking	5,690,975
Total liabilities and net assets	$ 34,479,653

September 30, 2021	Opportunity Bank Ghana
Banking Assets	
Cash and cash equivalents	$ 22,378,232
Loans receivable, net of allowance	26,115,452
Prepaid expenses and other assets	4,374,045
Building, furniture and equipment, net of accumulated depreciation	2,508,061
Total banking assets	$ 55,375,790
Banking Liabilities	
Accounts payable and accrued liabilities	$ 2,659,118
Deposits from customers	39,381,444
Notes payable	3,805,499
Deferred revenue	681,799
Total banking liabilities	46,527,860
Unrestricted net assets, banking	8,847,930
Total liabilities and net assets	$ 55,375,790

Combining Schedules of Statements of Activities – Banking Operations
Year Ended September 30, 2022
(With Comparative Information for the Year Ended September 30, 2021)

Year Ended September 30, 2022	Discontinued Operations Opportunity Bank Serbia	Discontinued Operations Opportunity Bank Ghana	2022 Banks Combined
Operating Activities			
Revenue:			
Loan interest income	$ -	$ 13,563,714	$ 13,563,714
Other fees and income	-	1,684,544	1,684,544
Total revenue	-	15,248,258	15,248,258
Expenses			
Interest on notes payable	-	568,577	568,577
Interest on client deposits	-	1,327,688	1,327,688
Provisions on loan losses	-	756,360	756,360
Management and general	-	11,278,126	11,278,126
Total operating expenses before taxes	-	13,930,751	13,930,751
Income Tax Expense	-	535,835	535,835
Increase in operating net assets	-	781,672	781,672
Nonoperating Activities			
Unrealized gain (loss) on foreign currency translation	-	(3,938,627)	(3,938,627)
Total nonoperating activities	-	(3,938,627)	(3,938,627)
Decrease in net assets	$ -	$ (3,156,955)	$ (3,156,955)

Year Ended September 30, 2021	Discontinued Operations Opportunity Bank Serbia	Discontinued Operations Opportunity Bank Ghana	2021 Banks Combined
Operating Activities			
Revenue:			
Loan interest income	$ 4,968,738	$ 15,236,241	$ 20,204,979
Other fees and income	116,132	5,802,823	5,918,955
Total revenue	5,084,870	21,039,064	26,123,934
Expenses			
Interest on notes payable	456,762	656,540	1,113,302
Interest on client deposits	639,587	1,862,289	2,501,876
Provisions on loan losses	(1,363,371)	392,607	(970,764)
Management and general	2,560,001	12,412,927	14,972,928
Total operating expenses before taxes	2,292,979	15,324,363	17,617,342
Income Tax Expense (Benefit)	-	2,554,221	2,554,221
Increase in operating net assets	2,791,891	3,160,480	5,952,371
Nonoperating Activities			
Unrealized gain (loss) on foreign currency translation	809,607	(447,422)	362,185
Total nonoperating activities	809,607	(447,422)	362,185
Increase in net assets	$ 3,601,498	$ 2,713,058	$ 6,314,556