

# **Opportunity International, Inc. and Affiliates**

Consolidated Financial Statements and  
Supplementary Information

September 30, 2024 and 2023

# Opportunity International, Inc. and Affiliates

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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, 2024 and the related consolidated statements of 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, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit 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 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 4, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived

#### **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 Schedules of Statements of Financial Position - Banking Operations and the 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*

Minneapolis, Minnesota  
June 30, 2025

# Opportunity International, Inc. and Affiliates

## Consolidated Statement of Financial Position

September 30, 2024

(With Summarized Comparative Information as of September 30, 2023)

	2024				2023
	Charitable Activities	Banking Activities	Eliminations	Total	
<b>Assets</b>					
Cash and cash equivalents	\$ 3,985,235	\$ -	\$ -	\$ 3,985,235	\$ 10,418,186
Restricted cash and investments	1,437,534	-	-	1,437,534	1,108,801
Pledges receivable, net	17,939,346	-	-	17,939,346	11,174,716
Investments, at fair value	5,771,165	-	-	5,771,165	7,000,582
Notes receivable, net	504,025	-	(16,293)	487,732	778,263
Donor-advised assets	170,508	-	-	170,508	155,637
Prepaid expenses and other assets	1,178,188	-	-	1,178,188	501,722
Investments in other institutions	18,929,792	-	-	18,929,792	16,986,052
Right of use assets, operating leases	2,046,894	-	-	2,046,894	2,323,173
Building, furniture, and equipment, net	401,956	-	-	401,956	365,204
Assets of disposal group classified as held for sale	-	35,362,258	-	35,362,258	34,377,798
<b>Total assets</b>	<b>\$ 52,364,643</b>	<b>\$ 35,362,258</b>	<b>\$ (16,293)</b>	<b>\$ 87,710,608</b>	<b>\$ 85,190,134</b>
<b>Liabilities and Net Assets</b>					
Accounts payable and accrued liabilities	\$ 3,511,682	\$ -	\$ -	\$ 3,511,682	\$ 3,074,314
Notes payable	1,850,000	-	-	1,850,000	1,950,000
Deferred revenue	443,288	-	-	443,288	436,863
Right of use liability, operating leases	2,255,930	-	-	2,255,930	2,454,963
Liabilities of disposal group classified as held for sale	-	32,036,045	(16,293)	32,019,752	29,400,288
<b>Total liabilities</b>	<b>8,060,900</b>	<b>32,036,045</b>	<b>(16,293)</b>	<b>40,080,652</b>	<b>37,316,428</b>
<b>Noncontrolling interest</b>	<b>-</b>	<b>1,309,005</b>	<b>-</b>	<b>1,309,005</b>	<b>1,951,383</b>
<b>Net assets:</b>					
Without donor restrictions	21,703,274	2,017,208	-	23,720,482	28,529,893
With donor restrictions	22,600,469	-	-	22,600,469	17,392,430
<b>Total net assets</b>	<b>44,303,743</b>	<b>2,017,208</b>	<b>-</b>	<b>46,320,951</b>	<b>45,922,323</b>
<b>Total liabilities and net assets</b>	<b>\$ 52,364,643</b>	<b>\$ 35,362,258</b>	<b>\$ (16,293)</b>	<b>\$ 87,710,608</b>	<b>\$ 85,190,134</b>

See notes to consolidated financial statements

**Opportunity International, Inc. and Affiliates**

Consolidated Statement of Activities

Year Ended September 30, 2024

(With Summarized Comparative Information for the Year Ended September 30, 2023)

	2024					
	Without donor restrictions					
	Charitable Activities	Banking Activities	Total	With Donor Restrictions	Total	2023
<b>Operating Activities</b>						
Charitable support, gains, and losses:						
Private contributions	\$ 9,953,243	\$ -	\$ 9,953,243	\$ 18,910,282	\$ 28,863,525	\$ 25,563,015
Government grants and contracts	-	-	-	6,919,310	6,919,310	3,291,054
Other income	401,308	-	401,308	-	401,308	657,543
Net assets released from restrictions	20,621,553	-	20,621,553	(20,621,553)	-	-
Total charitable support, gains and losses	30,976,104	-	30,976,104	5,208,039	36,184,143	29,511,612
<b>Expenses</b>						
Charitable expenses:						
Yield to program:						
Support for Implementing partners	4,231,649	-	4,231,649	-	4,231,649	3,936,453
Field program expenses	26,947,283	-	26,947,283	-	26,947,283	21,620,082
Total yield to program	31,178,932	-	31,178,932	-	31,178,932	25,556,535
Supporting services:						
Fundraising	4,688,184	-	4,688,184	-	4,688,184	5,534,538
General and administrative	1,591,582	-	1,591,582	-	1,591,582	1,862,438
Total supporting services	6,279,766	-	6,279,766	-	6,279,766	7,396,976
Total charitable expenses	37,458,698	-	37,458,698	-	37,458,698	32,953,511
Change in net assets from charitable operating activities	(6,482,594)	-	(6,482,594)	5,208,039	(1,274,555)	(3,441,899)
<b>Nonoperating Activities</b>						
Gain on investments	2,659,944	-	2,659,944	-	2,659,944	1,187,001
Noncontrolling interest in net loss of consolidated subsidiaries	-	642,378	642,378	-	642,378	289,499
Change in net assets from nonoperating activities	2,659,944	642,378	3,302,322	-	3,302,322	1,476,500
Change in net assets from continuing operations	(3,822,650)	642,378	(3,180,272)	5,208,039	2,027,767	(1,965,399)
<b>Discontinued Operations</b>						
Loss on discontinued activities	-	(1,629,139)	(1,629,139)	-	(1,629,139)	(735,623)
Change in net assets from discontinued operations	-	(1,629,139)	(1,629,139)	-	(1,629,139)	(735,623)
Change in net assets	(3,822,650)	(986,761)	(4,809,411)	5,208,039	398,628	(2,701,022)
Net Assets, Beginning	25,525,924	3,003,969	28,529,893	17,392,430	45,922,323	48,623,345
Net Assets, Ending	\$ 21,703,274	\$ 2,017,208	\$ 23,720,482	\$ 22,600,469	\$ 46,320,951	\$ 45,922,323

See notes to consolidated financial statements

# Opportunity International, Inc. and Affiliates

## Consolidated Statement of Cash Flows

Year Ended September 30, 2024

(With Comparative Information for the Year Ended September 30, 2023)

	2024	2023
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 398,628	\$ (2,701,022)
Loss on discontinued activities	1,629,139	735,623
Noncontrolling interest net loss of discontinued activities	(642,378)	(289,499)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	107,980	69,760
Noncash lease expense	77,246	71,968
Foreign currency translation (gain) on Notes Receivable	(99)	(90,198)
Net realized and unrealized (gain) loss on investments	(432,084)	167,354
Gain on investment in other institutions	(1,866,678)	(1,150,276)
Changes in assets and liabilities:		
Pledges and other receivables	(6,764,630)	(535,024)
Prepaid expenses and other assets	(676,466)	586,578
Accounts payable and accrued liabilities	437,368	(2,265,582)
Deferred revenue	6,425	164,946
Net cash flows from operating activities of continuing operations	(7,725,549)	(5,235,372)
<b>Cash Flows From Investing Activities</b>		
Purchase of investments in other institutions	(77,062)	(283,121)
Proceeds from sale of investments	1,586,057	111,078
Purchase of investments	-	(217,110)
Purchase of furniture and equipment	(144,732)	(116,100)
Collection of notes receivable	501,495	246,138
Issuance of notes receivable	(205,000)	(588,000)
Net cash flows from investing activities of continuing operations	1,660,758	(847,115)
<b>Cash Flows From Financing Activities</b>		
Principal payments on notes payable	(100,000)	-
Net cash flows from financing activities of continuing operations	(100,000)	-
Net change in cash, cash equivalents and restricted cash	(6,164,791)	(6,082,487)
<b>Cash, Cash Equivalents and Restricted Cash, Beginning</b>	11,047,653	17,130,140
<b>Cash, Cash Equivalents and Restricted Cash, Ending</b>	<u>\$ 4,882,862</u>	<u>\$ 11,047,653</u>
<b>End of Year Balance Includes Cash and Cash Equivalents Included in the Following Categories of the Statement of Financial Positions</b>		
Cash and cash equivalents	\$ 3,985,235	\$ 10,418,186
Cash advanced on conditional grant (included in restricted cash and investments)	727,119	473,830
Donor-advised assets	170,508	155,637
Total cash, cash equivalents and restricted cash at end of year	<u>\$ 4,882,862</u>	<u>\$ 11,047,653</u>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid for interest	<u>\$ 43,689</u>	<u>\$ 45,000</u>
<b>Supplemental Disclosure of Noncash Investing and Financing Transactions</b>		
Right-of-use assets obtained in exchange for new operating leases liabilities	<u>\$ 123,781</u>	<u>\$ 147,905</u>

See notes to consolidated financial statements

## Opportunity International, Inc. and Affiliates

### Consolidated Statement of Functional Expenses

Year Ended September 30, 2024

(With Summarized Comparative Information for the Year Ended September 30, 2023)

	2024				
	Charitable Activities				
	Yield to Program	Fundraising	General and Administrative	Total	2023 Total
Support for implementing partners	\$ 4,231,649	\$ -	\$ -	\$ 4,231,649	\$ 3,936,454
Salaries and benefits	13,420,482	3,797,974	387,333	17,605,789	15,551,280
Rent and utilities	376,102	168,447	160,470	705,019	656,713
Travel and hosting	2,570,886	357,151	59,766	2,987,803	2,811,024
Professional fees	6,137,103	113,972	378,155	6,629,230	5,549,562
Miscellaneous expense	248,898	46,348	81,413	376,659	360,483
Interest expense	2,189	-	41,500	43,689	45,000
Telephone	194,683	21,340	65,758	281,781	223,360
Depreciation expense	57,563	-	50,417	107,980	69,760
Board meetings and conferences	84,226	32,808	48,533	165,567	250,211
Supplies, printing, and office equipment	1,474,408	110,919	237,534	1,822,861	1,533,462
Income and value added tax expense	194,583	-	-	194,583	229,836
Postage and shipping	93,108	6,266	5,688	105,062	88,636
Training	1,955,118	20,705	22,859	1,998,682	1,313,388
Promotional materials	8,660	5,906	478	15,044	35,456
Donor-advised grant expense	35,129	-	-	35,129	144,142
Insurance	94,145	6,348	51,678	152,171	154,744
Total expenses	\$ 31,178,932	\$ 4,688,184	\$ 1,591,582	\$ 37,458,698	\$ 32,953,511

See notes to consolidated financial statements



# Opportunity International, Inc. and Affiliates

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Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

## 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 equip 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 disbursement of loans, provision of savings accounts, remittance and other services to its clients, alongside the training, technology and support provided by Opportunity and its local partner network to them. In all this, Opportunity's objective is to increase 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 and/or board representation 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 Innovation, 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, 2024 and September 30, 2023 are 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, 2024 and September 30, 2023. OTI continues to seek buyers to reduce its shareholding below 50%.

Opportunity incorporated entities in Ghana, Malawi, Rwanda, Uganda, Democratic Republic of the Congo, Colombia, the United Kingdom, Tanzania, Zambia and Kenya. 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.

## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### 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.

**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.

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net assets without donor restrictions of continuing operations:		
Opportunity International – United States	\$ <u>21,703,274</u>	\$ <u>25,525,924</u>
Net assets without donor restrictions of disposal group classified as held for sale:		
Opportunity Bank Ghana	<u>2,017,208</u>	<u>3,003,969</u>
Total	\$ <u>23,720,482</u>	\$ <u>28,529,893</u>

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.

## Opportunity International, Inc. and Affiliates

### Notes to Consolidated Financial Statements

September 30, 2024 and 2023

**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, 2024 and 2023:

	2024	2023
Pledges receivable, net	\$ 17,939,346	\$ 11,174,716
Programs in Latin America	510,535	332,584
Programs in Asia	268,569	173,920
Programs in Africa	785,605	971,279
Agriculture finance programs	548,184	522,527
Other programs	2,548,230	4,217,404
Total	<u>\$ 22,600,469</u>	<u>\$ 17,392,430</u>

Net assets were released from donor restrictions during the years ended September 30, 2024 and 2023 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows:

	2024	2023
Programs in Africa	\$ 1,518,496	\$ 2,385,705
Programs in Latin America	1,870,829	2,587,905
Programs in Asia	176,539	170,776
Education finance programs	11,321,088	5,780,749
Agriculture finance programs	4,185,937	2,963,087
Other programs	1,548,664	5,248,330
Total	<u>\$ 20,621,553</u>	<u>\$ 19,136,552</u>

**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 the 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.

## Opportunity International, Inc. and Affiliates

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### Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Contributions received with donor-imposed restrictions are reported as revenue of the net asset with donor restrictions and then recorded as net assets released from restrictions when those restrictions are met.

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 \$466,831 and \$242,136 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 2024 and 2023, 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, 2024 and 2023 and consist of cash and 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 0.38% and 4.89% 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, 2024 and 2023, an allowance for uncollectible promises was recorded of approximately \$781,000 and \$796,000, respectively. The discount on pledges due beyond one year is \$534,666 and \$184,592 as of September 30, 2024 and 2023, respectively.

At September 30, 2024, pledges receivable of \$11,067,144 are due within one year, \$8,087,868 are due between one to five years and \$100,000 are due between six to eight years.

## Opportunity International, Inc. and Affiliates

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Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### 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 Other 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, 2024 and 2023.

### 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.

## Opportunity International, Inc. and Affiliates

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Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### 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 \$344,850 and \$236,870 as of September 30, 2024 and 2023, 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 4.8% and 5% was utilized as of September 30, 2024 and 2023, 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, 2024 and 2023.

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 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, 2023, from which the summary information was derived.

## Opportunity International, Inc. and Affiliates

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Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### Leases

Opportunity accounts for leases in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic 842 which 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.

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

- Opportunity has elected the policy not to separate lease and non-lease 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 11.

### Accounting Standard Adopted

In June 2016, FASB issued Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. For financial instruments included in the scope, the CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The methodology replaces the multiple existing impairment methods in current accounting principles generally accepted in the United States of America, which generally require that a loss be incurred before it is recognized. On October 1, 2023, Opportunity adopted the ASU using the modified retrospective approach. The adoption of ASU 2016-13 did not have a material impact on the consolidated financial statements for the year ended September 30, 2024.

## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### 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 and other financial assets not available for general expenditures) available within one year at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 3,985,235	\$ 10,418,186
Pledges receivable, net	17,939,346	11,174,716
Investments, at fair value	5,771,165	7,000,582
Notes receivable, net	<u>487,732</u>	<u>800,421</u>
Total financial assets available for general expenditures	28,183,478	29,393,905
Less commitments beyond one year:		
Pledges receivable, net	<u>(8,187,868)</u>	<u>(5,573,484)</u>
Total available within one year	<u>\$ 19,995,610</u>	<u>\$ 23,820,421</u>

### 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).

At September 30, 2024 and 2023, 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:

	<u>September 30, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds, unrestricted cash equivalents	\$ 201,238	\$ -	\$ -	\$ 201,238
Money market funds, restricted cash equivalents	710,415	-	-	710,415
Corporate bonds	4,672,938	-	-	4,672,938
Other investments	<u>-</u>	<u>-</u>	<u>160,667</u>	<u>160,667</u>
Investments in the fair value hierarchy	5,584,591	-	160,667	5,745,258
Investments measured at net asset value	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,322</u>
Total investments	<u>\$ 5,584,591</u>	<u>\$ -</u>	<u>\$ 160,667</u>	<u>\$ 6,481,580</u>



## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Money market funds, unrestricted cash equivalents	\$ 197,849	\$ -	\$ -	\$ 197,849
Money market funds, restricted cash equivalents	634,973	-	-	634,973
Corporate bonds	6,015,752	-	-	6,015,752
Other investments	-	-	160,533	160,533
Investments in the fair value hierarchy	6,848,574	-	160,533	7,009,107
Investments measured at net asset value	-	-	-	626,448
Total investments	<u>\$ 6,848,574</u>	<u>\$ -</u>	<u>\$ 160,533</u>	<u>\$ 7,635,555</u>

**Reconciliation to Statements of Financial Position:** The total investments at fair value included in this note can be reconciled to the statements of financial position as follows:

	2024	2023
Investments, at fair value	\$ 5,771,165	\$ 7,000,582
Money market funds, included with restricted cash and cash equivalents	710,415	634,973
Total investments	<u>\$ 6,481,580</u>	<u>\$ 7,635,555</u>

### Valuation Techniques and Inputs

Level 1 assets include money market funds and corporate bonds for which quoted prices are readily available.

Level 3 assets include other investments that are valued using unobservable inputs.

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, 2024 and 2023. Opportunity has a remaining commitment of \$5,192 related to the below investments.

	2024	2023	Redemption Frequency	Redemption Notice Period
Private equity fund *	\$ 74,812	\$ 102,644	N/A	N/A
SEAF Serbia Impact Fund B.V. **	661,510	523,804	N/A	N/A
Total	<u>\$ 736,322</u>	<u>\$ 626,448</u>		

\* 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.

## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### 5. Investments and Investment in Other Institutions

Investments consist of the following as of September 30, 2024 and 2023:

	2024	2023
Short-term investments	\$ 436,717	\$ 461,026
SEAF Serbia Impact Fund B.V.	661,510	523,804
Corporate bonds	4,672,938	6,015,752
Total investments at fair value	<u>\$ 5,771,165</u>	<u>\$ 7,000,582</u>

Investment income (loss), net of eliminations, from charitable activities for the years ended September 30, 2024 and 2023 consists of the following:

	2024	2023
Dividends	\$ 154,985	\$ 143,799
Interest Income	206,197	60,280
Realized gain on investments	55,940	47,434
Unrealized gain (loss) on investments	376,144	(214,788)
Equity gain from other institutions	1,866,678	1,150,276
Gain on investments, net	<u>\$ 2,659,944</u>	<u>\$ 1,187,001</u>

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

	2024	2023
Growing Opportunity Finance (India) Pvt. Ltd (0.8%)	\$ -	\$ 55,547
Dia Vikas Capital Pvt. Ltd-India (9.9%)	3,542,199	3,542,199
Opportunity Bank Uganda Limited (46.5%)	4,832,822	4,297,167
COOP ASPIRE, Dominican Republic (2.3%)	100,000	100,000
3 Bank a.d. Novi Sad, Serbia (20%)	10,454,771	8,991,139
Total investment in other institutions	<u>\$ 18,929,792</u>	<u>\$ 16,986,052</u>

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

	2024	2023
Growing Opportunity Finance (India) Pvt. Ltd.	\$ (55,547)	-
Opportunity Bank Uganda Limited	458,593	\$ 183,784
3 Bank a.d. Novi Sad, Serbia	1,463,632	1,249,613
VisionFund DRC (20%)	-	(283,121)
Total equity gain from other institutions	<u>\$ 1,866,678</u>	<u>\$ 1,150,276</u>

## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### 6. Notes Receivable

Notes receivable as of September 30, 2024 and 2023 are as follows:

	2024	2023
Association de Oportunidad y Desarrollo Economico de Nicaragua (ASODENIC), interest rate 0%	\$ 10,000	\$ 10,000
Opportunity Bank Uganda, interest rate 0%	29,072	29,072
COOP ASPIRE, interest rate 4%	-	13,495
Opportunity International Nicaragua, interest rate 2%	200,000	200,000
Grace & Mercy Household Improvement Initiative, Nigeria, interest 0%	200,000	100,000
Standard Microfinance Bank Limited, Nigeria, interest 0%	100,000	100,000
Clecam Ejoheza Plc, Rwanda, interest 0%	105,000	-
Asociación General para Asesorar Pequeñas Empresas (AGAPE), interest rate 0%	53,660	535,696
Subtotal notes receivable	697,732	988,263
Less allowance for uncollectible amounts	(210,000)	(210,000)
Total net notes receivable	\$ 487,732	\$ 778,263

### 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, 2024, with comparative presentation for 2023. Furthermore, all banking activities have been reported as discontinued operations in the consolidated statement of activities for all periods presented. 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 between 23% and 39% during 2023 and 2024 and continuing currency devaluation.

## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Carrying amounts of major classes of assets included as part of discontinued operations:		
Cash and cash equivalents	\$ 12,420,584	\$ 11,129,289
Loans receivable, net allowance	16,914,197	17,071,493
Prepaid expenses and other assets	3,185,565	2,818,698
Building, furniture and equipment, net of accumulated	<u>2,841,912</u>	<u>3,358,318</u>
Total assets of the disposal group classified as held for sale in the consolidated statements of financial position	<u>\$ 35,362,258</u>	<u>\$ 34,377,798</u>
	<u>2024</u>	<u>2023</u>
Carrying amounts of major classes of liabilities included as part of discontinued operations:		
Accounts payable and accrued liabilities	\$ 4,718,099	\$ 3,768,467
Deposits from customers	24,017,198	23,885,742
Notes payable	2,861,513	1,317,066
Deferred revenue	<u>439,235</u>	<u>451,171</u>
Total liabilities of the disposal group classified as held for sale in the consolidated statements of financial position	<u>\$ 32,036,045</u>	<u>\$ 29,422,446</u>

## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

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, 2024 and 2023:

	2024	2023
Major classes of line items constituting the loss of discontinued operations:		
Revenue:		
Loan interest income	\$ 10,269,201	\$ 10,014,178
Other fees and income	1,265,922	1,251,557
Total revenue	11,535,123	11,265,735
Expenses:		
Interest	1,431,903	1,396,581
Provision for loan losses	911,067	166,804
Management and general, including income tax expense	9,566,235	9,868,258
Total operating expenses	11,909,205	11,431,643
Nonoperating activities:		
Net unrealized loss on foreign currency translation	(1,255,057)	(569,715)
Loss from discontinued banking activities	(1,629,139)	(735,623)
Net loss attributable to noncontrolling interests	642,378	289,499
Net loss attributable to OTI	\$ (986,761)	\$ (446,124)

For the year ended September 30, 2024, total operating, investing and financing cash flows from discontinued operations were \$(541,904), \$157,296 and \$1,675,903, respectively. For the year ended September 30, 2023, total operating, investing and financing cash flows from discontinued operations were \$684,910, \$(1,769,581) and \$218,176, respectively.

### 8. Deferred Revenue and Notes Payable

Total deferred revenue of \$443,288 and \$436,863 as of September 30, 2024 and 2023, respectively, represent funds received for conditional grants.

Charitable notes payable as of September 30, 2024 and 2023 include the following:

	2024	2023
Charitable notes payable:		
Note payable, 2% interest, maturity October 2029	\$ 100,000	\$ 100,000
Note payable, 3% interest, maturity November 2026	500,000	500,000
Note payable, 3% interest, maturity August 2029	1,000,000	1,000,000
Note payable, 2% interest, maturity January 2027	50,000	50,000
Note payable, 3% interest, maturity October 2023	-	100,000
Note payable, 2% interest, maturity February 2025	200,000	200,000
Total charitable notes payable	\$ 1,850,000	\$ 1,950,000

## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

Impact Investment Fund notes of \$1,850,000 outstanding as of September 30, 2024 and 2023, are included in charitable notes payable. Maturities range from one to five years. Annual interest is 2% to 3%.

Aggregate maturities of notes payable as of September 30, 2024 are as follows:

FY 2025	\$ 200,000
FY 2027	550,000
FY 2029	1,000,000
FY 2030	<u>100,000</u>
Total notes payable	<u>\$ 1,850,000</u>

### 9. Noncontrolling Interest

Below is the activity of the noncontrolling interest for the years ended September 30, 2024 and 2023:

September 30, 2024				
	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	\$ 1,951,383	\$ (642,378)	\$ -	\$ 1,309,005
September 30, 2023				
	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	\$ 2,240,882	\$ (289,499)	\$ -	\$ 1,951,383

## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

### 10. USAID Agreements

Opportunity entered into funding agreements with the United States Aid for International Development (USAID) as a prime and subawardee over various periods for educational, agricultural and microenterprise development purposes in overseas countries as follows:

Program	Total grant awarded	Funds received through September 30, 2024	Completion date
Agriculture - S34D Africa	\$ 425,030	\$ 336,900	November 2023
Education - APIL Ghana	16,123,172	3,901,037	February 2028*
	<u>\$ 16,548,202</u>	<u>\$ 4,237,937</u>	

\* Award terminated February 26, 2025 for convenience and the interests of the U.S. Government.

### 11. Leases, Commitments and Contingencies

#### Lease Obligations

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 years ended September 30, 2024 and 2023 was \$705,019 and \$656,713, respectively.

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 International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

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, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Operating lease right-of-use assets	<u>\$ 2,046,894</u>	<u>\$ 2,323,173</u>
Operating lease liabilities		
Current	\$ 289,384	\$ 275,181
Long-term	<u>1,966,546</u>	<u>2,179,782</u>
Total operating lease liabilities	<u>\$ 2,255,930</u>	<u>\$ 2,454,963</u>

Below is a summary of expenses incurred pertaining to leases during the years ended September 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Operating lease expense	\$ 517,066	\$ 523,856
Short-term lease expense	18,908	23,723
Variable lease expense	<u>169,045</u>	<u>109,134</u>
Total lease expense	<u>\$ 705,019</u>	<u>\$ 656,713</u>

The right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 2.7% and 2.6% as of September 30, 2024 and 2023, respectively. As of September 30, 2024 and 2023, the weighted average remaining lease term was 7.3 years and 8.1 years, respectively.



## Opportunity International, Inc. and Affiliates

Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

The table below summarizes Opportunity's scheduled future minimum lease payments for years ending after September 30, 2024:

Years ending September 30:	
2025	\$ 289,384
2026	346,447
2027	305,620
2028	294,216
2029	301,578
Thereafter	<u>963,941</u>
Total lease payments	2,501,187
Less present value discount	<u>(245,257)</u>
Total lease liabilities	2,255,930
Less current portion	<u>(289,384)</u>
Long-term lease liabilities	<u>\$ 1,966,546</u>

The following table includes supplemental cash flow and noncash information related to the leases for the year ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 389,915	\$ 316,364
Operating lease right-of-use assets obtained in exchange for lease liabilities:	123,781	147,905

### Line of Credit

As of September 30, 2024, Opportunity has available a line of credit from Citibank in the amount of \$3,000,000. The credit is priced at the greater of One Month Term SOFR plus 0.11448% or 0.50% plus 1.75% (7.14% and 4.91% as of September 30, 2024 and 2023, respectively) 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, 2024 and 2023. The line of credit expires on July 31, 2025.

### 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, 2024 and 2023, Opportunity Bank Ghana met these regulatory requirements.

## Opportunity International, Inc. and Affiliates

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Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### 12. 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 \$826,075 and \$688,803 for the years ended September 30, 2024 and 2023, respectively, and is included in salaries and benefits on the consolidated statement of functional expenses.

### 13. Related-Party Transactions

Included in program services in the consolidated statement of activities are grant expenses of \$4,231,649 and \$3,936,453 in 2024 and 2023, respectively, which relate to disbursements made by Opportunity to its affiliated organizations.

Pledges for future donations of \$2,144,732 and \$3,259,417 were due from board members of Opportunity as of September 30, 2024 and 2023, respectively.

### 14. 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.

## Opportunity International, Inc. and Affiliates

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Notes to Consolidated Financial Statements  
September 30, 2024 and 2023

### 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 \$12.4 million and \$11.1 million as of September 30, 2024 and 2023, respectively, which is approximately 35.1% and 32.4% of total assets of Opportunity Bank Ghana, held for sale in 2024 and 2023, respectively.

### 15. Subsequent Events

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through June 30, 2025, the date the consolidated financial statements were available to be issued.

#### Termination of Cooperative Agreement and subcontracts

On February 25, 2025, Opportunity received notice that two subcontracts for Education finance programs in Zambia and Tanzania were terminated. All work on the contracts was stopped.

Effective February 26, 2025, USAID terminated the Cooperative Agreement for Advancing Partnerships for Improved Learning for the convenience and the interests of the U.S. Government. Opportunity has requested reimbursement for allowable expenses related to the termination and closing out of the Cooperative Agreement.

#### Notes Receivable

\$200,000 of Notes Receivable were repaid as of October 2024.

Opportunity issued an additional \$150,000 Note Receivable in December 2024.

#### Notes Payable

Opportunity repaid a \$200,000 Note Payable in February 2025. A new 5 year 2% interest note from the same lender was issued in April 2025 for \$200,000 to fund program work in Colombia.

Opportunity repaid a \$50,000 note in April 2025.

In April 2025, OTI signed a promissory note for \$2,000,000. The principal and interest accrued at 2% per annum are due in full on April 29, 2032. The purpose of the loan is to catalyze lending from local institutions in Malawi and Uganda to clients living in or near extreme poverty conditions, as well as to mobilize capital directly to cooperatives of farmers.

#### Reserve and Regulatory Capital Requirements

As of June 30, 2025, OTI's foreign for-profit microfinance subsidiary in Ghana met the regulatory requirements of Ghana.

**Opportunity International, Inc. and Affiliates**

## Schedules of Statements of Financial Position – Banking Operations

September 30, 2024 and 2023

<b>Opportunity Bank Ghana</b>	<b>2024</b>	<b>2023</b>
<b>Banking Assets</b>		
Cash and cash equivalents	\$ 12,420,584	\$ 11,129,289
Loans receivable, net of allowance	16,914,197	17,071,493
Prepaid expenses and other assets	3,185,565	2,818,698
Building, furniture and equipment, net of accumulated depreciation	2,841,912	3,358,318
Total banking assets	<u>\$ 35,362,258</u>	<u>\$ 34,377,798</u>
<b>Banking Liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,718,099	\$ 3,768,467
Deposits from customers	24,017,198	23,885,742
Notes payable	2,861,513	1,317,066
Deferred revenue	439,235	451,171
Total banking liabilities	32,036,045	29,422,446
Unrestricted net assets, banking	<u>3,326,213</u>	<u>4,955,352</u>
Total liabilities and net assets	<u>\$ 35,362,258</u>	<u>\$ 34,377,798</u>
Net assets attributable to noncontrolling interests	\$ 1,309,005	\$ 1,951,383
Net assets attributable to OTI	<u>2,017,208</u>	<u>3,003,969</u>
Total net assets	<u>\$ 3,326,213</u>	<u>\$ 4,955,352</u>

**Opportunity International, Inc. and Affiliates**

## Schedules of Statements of Activities – Banking Operations

Year Ended September 30, 2024

(With Comparative Information for the Year Ended September 30, 2023)

<b>Opportunity Bank Ghana</b>	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Revenue:		
Loan interest income	\$ 10,269,201	\$ 10,014,178
Other fees and income	1,265,922	1,251,557
Total revenue	11,535,123	11,265,735
<b>Expenses</b>		
Interest on notes payable	674,298	587,965
Interest on client deposits	757,605	808,616
Provisions on loan losses	911,067	166,804
Management and general	9,671,098	9,468,703
Total operating expenses before taxes	12,014,068	11,032,088
<b>Income Tax (Benefit) Expense</b>	(104,863)	399,555
Decrease in operating net assets	(374,082)	(165,908)
<b>Nonoperating Activities</b>		
Unrealized loss on foreign currency translation	(1,255,057)	(569,715)
Decrease in net assets	(1,629,139)	(735,623)
Net loss attributable to noncontrolling interests	642,378	289,499
Net loss attributable to OTI	\$ (986,761)	\$ (446,124)