PARTNERS WORLDWIDE, INC. AND AFFILIATES

Consolidated Financial Statements
With Independent Auditor's Report

June 30, 2026 and 2025

PARTNERS WORLDWIDE, INC. AND AFFILIATES

Table of Contents

	Page
Independent Auditor's Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses - 2026	5
Consolidated Statement of Functional Expenses - 2025	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8

CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Partners Worldwide, Inc. and Affiliates
Grand Rapids, Michigan

Opinion

We have audited the accompanying consolidated financial statements of Partners Worldwide, Inc. and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Partners Worldwide, Inc. and Affiliates as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Partners Worldwide, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 Partners Worldwide, Inc. and Affiliates' 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 Partners Worldwide, Inc. and Affiliates’ 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.

Capin Crouse LLP

Grand Rapids, Michigan
October 15, 2026

PARTNERS WORLDWIDE, INC. AND AFFILIATES

Consolidated Statements of Financial Position

	June 30, 2026	June 30, 2025
ASSETS:		
Cash and cash equivalents	$ 2,077,144	$ 2,078,848
Investments	14,272,913	12,825,850
Pledges receivable	131,350	118,420
Field advances and other assets	419,168	491,789
Interest receivable	339,102	405,391
Board designated investments	89,340	86,199
Notes receivable, net of allowance for credit losses of $980,000	2,224,723	3,277,512
Property and equipment, net	664,812	700,647
Total Assets	$ 20,218,552	$ 19,984,656
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	$ 114,519	$ 227,102
Accrued expenses	157,892	137,092
Notes payable	-	94,980
Total liabilities	272,411	459,174
Net assets:		
Without donor restrictions	17,506,008	16,819,474
With donor restrictions	2,440,133	2,706,008
Total net assets	19,946,141	19,525,482
Total Liabilities and Net Assets	$ 20,218,552	$ 19,984,656

See notes to consolidated financial statements

PARTNERS WORLDWIDE, INC. AND AFFILIATES

Consolidated Statements of Activities

	Years Ended June 30,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	$ 2,624,512	$ 3,497,582	$ 6,122,094	$ 3,019,514	$ 3,468,406	$ 6,487,920
Government grant	-	-	-	314,214	-	314,214
Interest income and other revenue	129,269	-	129,269	147,028	-	147,028
Investment income	1,553,397	-	1,553,397	1,090,136	-	1,090,136
Contributed non-financial assets	430,057	-	430,057	473,722	-	473,722
Total Support and Revenue	4,737,235	3,497,582	8,234,817	5,044,614	3,468,406	8,513,020
Net Assets Released from Restriction	3,763,457	(3,763,457)	-	3,063,790	(3,063,790)	-
Total Support, Revenue and Net Assets Released From Restrictions	8,500,692	(265,875)	8,234,817	8,108,404	404,616	8,513,020
EXPENSES						
Program services	6,501,498	-	6,501,498	5,356,728	-	5,356,728
Supporting activities:						
Management and general	778,008	-	778,008	659,787	-	659,787
Fundraising	509,982	-	509,982	481,034	-	481,034
Total Expenses	7,789,488	-	7,789,488	6,497,549	-	6,497,549
Change in Net Assets before foreign currency translation adjustment	711,204	(265,875)	445,329	1,610,855	404,616	2,015,471
Foreign currency translation adjustment	(24,670)	-	(24,670)	(4,069)	-	(4,069)
Change in Net Assets	686,534	(265,875)	420,659	1,606,786	404,616	2,011,402
Net Assets, Beginning of Year	16,819,474	2,706,008	19,525,482	15,212,688	2,301,392	17,514,080
Net Assets, End of Year	$ 17,506,008	$ 2,440,133	$ 19,946,141	$ 16,819,474	$ 2,706,008	$ 19,525,482

See notes to consolidated financial statements

PARTNERS WORLDWIDE, INC. AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2026

	Program Services	Supporting Activities: Management and General	Supporting Activities: Fundraising	Total
Salaries	$ 930,261	$ 197,373	$ 376,857	$ 1,504,491
Employee benefits	128,761	71,509	68,082	268,352
	1,059,022	268,882	444,939	1,772,843
Home office costs:				
Operations	222,997	404,162	23,544	650,703
Travel	119,653	9,563	23,019	152,235
Facilities	32,360	8,701	15,188	56,249
Professional fees	11,330	39,592	855	51,777
Printed materials	2,475	18,172	629	21,276
Promotion events/mailings	-	20,572	1,808	22,380
Training and education	60	8,364	-	8,424
Total home office costs	388,875	509,126	65,043	963,044
Field office costs:				
National staff costs	1,579,512	-	-	1,579,512
Small business development	599,598	-	-	599,598
Food production	703,879	-	-	703,879
Travel	628,406	-	-	628,406
Field office costs	449,049	-	-	449,049
Donated services	430,057	-	-	430,057
Field development and planning	282,143	-	-	282,143
Other	262,716	-	-	262,716
Training and education	111,574	-	-	111,574
Field equipment purchases	6,667	-	-	6,667
Total field office costs	5,053,601	-	-	5,053,601
Total Expenses	$ 6,501,498	$ 778,008	$ 509,982	$ 7,789,488

See notes to consolidated financial statements

PARTNERS WORLDWIDE, INC. AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Activities: Management and General	Supporting Activities: Fundraising	Total
Salaries	$ 803,721	$ 160,915	$ 329,920	$ 1,294,556
Employee benefits	119,018	60,605	73,581	253,204
	922,739	221,520	403,501	1,547,760
Home office costs:				
Operations	235,034	312,554	30,080	577,668
Professional fees	94,309	26,492	26,567	147,368
Facilities	10,134	71,082	1,270	82,486
Travel	28,782	5,037	15,817	49,636
Promotion events/mailings	5,524	6,779	3,011	15,314
Printed materials	1,213	7,174	788	9,175
Training and education	198	9,149	-	9,347
Total home office costs	375,194	438,267	77,533	890,994
Field office costs:				
National staff costs	1,266,003	-	-	1,266,003
Food production	541,944	-	-	541,944
Donated services	473,722	-	-	473,722
Field office costs	463,515	-	-	463,515
Travel	389,801	-	-	389,801
Small business development	365,367	-	-	365,367
Field development and planning	262,519	-	-	262,519
Field equipment purchases	208,282	-	-	208,282
Training and education	72,739	-	-	72,739
Other	14,903	-	-	14,903
Total field office costs	4,058,795	-	-	4,058,795
Total Expenses	$ 5,356,728	$ 659,787	$ 481,034	$ 6,497,549

See notes to consolidated financial statements

PARTNERS WORLDWIDE, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	$ 420,659	$ 2,011,402
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	44,086	42,585
Foreign currency translation adjustment	(24,670)	(4,069)
Change in allowance for credit losses	193,600	120,000
Realized and unrealized gain on investments	(1,234,851)	(804,599)
Changes in:		
Pledges receivable	(12,930)	200,735
Field advances and other assets	(20,998)	(28,700)
Interest receivable	66,289	(43,900)
Accounts payable	(18,964)	67,901
Accrued expenses	20,800	9,963
Net Cash (Used in) Provided by Operating Activities	(566,979)	1,571,318
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(8,252)	(22,470)
Notes receivable issued	(465,000)	(1,423,789)
Collections on notes receivable	1,324,190	975,437
Proceeds from sale of investments and board designated investments	751,046	598,214
Purchases of investments and board designated investments	(966,399)	(265,000)
Net Cash Provided by (Used in) Investing Activities	635,585	(137,608)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(94,980)	(450,000)
Net Cash Used in Financing Activities	(94,980)	(450,000)
Effect of Exchange Rate on Cash	24,670	4,069
Net Change in Cash and Cash Equivalents	(1,704)	987,779
Cash and Cash Equivalents, Beginning of Year	2,078,848	1,091,069
Cash and Cash Equivalents, End of Year	$ 2,077,144	$ 2,078,848
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest (non capitalized)	$ -	$ 438

See notes to consolidated financial statements

1. NATURE OF ORGANIZATION:

Partners Worldwide, Inc. (PW), a Michigan nonprofit corporation, was established for the purpose of promoting and enhancing international and domestic development of small business in developing communities and countries by creating jobs.

PW operates as a charitable religious organization within the meaning of Section 501(c)(3) of the Internal Revenue Code (Code) and applicable state regulations and has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code. It is exempt from federal and state income taxes and contributions by the public are deductible for income tax purposes.

Partners Worldwide Canada (PWC), a Canada not for profit corporation, was established for the purpose of promoting and enhancing international and domestic development of small businesses in less developed communities and countries, creating jobs, and supporting the mission of PW. PW has controlling economic interest in PWC.

PW Entrepreneurs L3C (PWE), a Michigan low-profit limited liability company, was established for the purpose of promoting and enhancing international and domestic development of small businesses in less developed communities and countries, creating jobs, and supporting the mission of PW. There are three members in PWE, of which PW has the majority ownership.

Partners Worldwide Southeast Asia Organization, Inc. (PWSEA), a non-profit company located in the Philippines, was established for the purpose of promoting and enhancing development of small businesses in Southeast Asia and supporting the mission of PW. PW's revenue is generated primarily from charitable contributions. PW has controlling economic interest in PWSEA.

Partners Worldwide Haiti (PWH), a non-profit company located in Haiti, was established for the purpose of promoting and enhancing development of small businesses in Haiti and supporting the mission of PW. PW has controlling economic interest in PWH.

Partners Worldwide Zambia (PWZ), a non-profit company located in Zambia, was established for the purpose of promoting and enhancing development of small businesses in Zambia and supporting the mission of PW. PW has controlling economic interest in PWZ.

PW's revenue is generated primarily from charitable contributions, grants, investment income, and contributed non-financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASU).

USE OF ESTIMATES

The preparation of U.S. GAAP consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for credit losses, depreciation of property and equipment, fair value of investments, and allocation of expenses on a functional basis.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of Partners Worldwide, Inc. and Affiliates include the consolidating financial resources and activities of PW and its subsidiary organizations, PWC, PWE, PWSEA, PWH, and PWZ. Due to immaterial financial activity, PWSEA, PWH, and PWZ are not presented separately within the consolidating statements and their activity is included within PW. All inter-organization balances and transactions have been eliminated in the consolidation.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank and brokerage checking, savings and money market accounts. Certain items that meet the definition of cash equivalents but are part of a larger pool of investments are included in investments. From time to time, deposits may exceed federally insured limits. At June 30, 2026 and 2025, Partners Worldwide, Inc. and Affiliates exceeded federally insured limits by approximately $1,907,000 and $1,632,000, respectively. There was no restricted cash as of June 30, 2026 and 2025.

INVESTMENTS

Investments are reported at cost and fair value, as disclosed in Note 4. Realized and unrealized gains and losses, interest and dividends are presented as investment income in the consolidated statements of activities as a change in net assets without restrictions unless designated as restricted by the donor. Donated investments are liquidated at market value on the date of donation.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FAIR VALUE MEASUREMENTS

PW determines fair value based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Level 1

Quoted prices in active markets for identical assets or liabilities.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

PW uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, PW measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

BOARD DESIGNATED INVESTMENTS

The board of directors created a fund for estate gifts that are received with no donor restrictions. Ten percent of the gifts from this fund will be distributed immediately to the general operations of PW. The remaining funds are then invested and distributed annually over the next six years for general operations.

PLEDGES RECEIVABLE

Unconditional pledges receivable are recognized as revenue in the period the pledge is made. Pledges receivable are stated at the amount management expects to collect from balances outstanding. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its evaluation of the status of individual accounts, past credit history with donors and the donors' current financial condition. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. PW considers pledges receivable to be fully collectible; accordingly, no allowance for doubtful promises to give has been recorded. Further, all unconditional pledges receivable are expected to be collected within one year, therefore a pledge discount was not recorded as of June 30, 2026 and 2025.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FIELD ADVANCES AND OTHER ASSETS

PW funds numerous projects in countries outside the United States. Field managers in those countries request funding for approved projects. Field advances include amounts forwarded to those foreign bank accounts. As funds are spent, the field advance account is decreased and the various project expenses are recognized. Other assets consist of an immaterial amount of accounts receivable.

INTEREST RECEIVABLE

Interest receivable is interest owed on outstanding notes receivable. Interest is charged at rates ranging from 4%-7% for the years ending June 30, 2026 and 2025, and is recorded as interest revenue on the consolidated statements of activities. Interest is not charged in a period when a loan is being restructured.

NOTES RECEIVABLE, NET

PW and PWE provide loan capital to qualified affiliates worldwide, who then manage funds locally by identifying and providing loans to entrepreneurs who have received business training, mentoring and coaching and are prepared to take their business to the next level.

Estimated allowances for credit losses on notes receivable are maintained at levels that, in the judgment of management, are adequate to meet the present and potential future risks of uncollectible receivable balances. Management's judgment is based on a variety of factors, which include experience related to charge-offs and recoveries, and scrutiny of notes receivable. PW has adopted the practical expedient in which current conditions are assumed to exist for the remaining life of the loan receivable. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current economic conditions. As of June 30, 2025, PW increased its historical loss rate for each aging category by 5%, due to current economic conditions. As of June 30, 2026, PW kept it's historical loss rate for each aging category consistent with the prior year, due to no changes noted in current economic forecasts. Notes receivable are unsecured and considered past due based on contractual terms. Amounts deemed by management to be uncollectible are charged to expense. Recoveries on receivables previously charged-off are credited to expense. Provisions for credit losses are charged to expense and credited to the allowance for credit losses. Past due receivables are not placed on nonaccrual status, and payments received on past due receivables are applied to principal and interest according to contractual terms.

Notes receivable are evaluated based on two credit quality status indicators: performing and nonperforming. Performing loans are those in which the borrower is not current with all contractual terms of the loan but has established a recent payment history. Nonperforming loans are those in which the borrower has defaulted on the terms of the loan and no recent payment history exists.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT, NET

Property and equipment are stated at cost, if purchased. Donations of property and equipment are recorded as support at estimated fair value at the time received. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, PW reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. PW follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Repairs and maintenance are expensed as incurred. The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2026 or 2025.

Land is not depreciated and construction in process is not depreciated until placed into service. Estimated useful lives for financial reporting purposes are as follows:

Asset Category	Years
Buildings and improvements	10-39
Equipment	3-5
Vehicles	7
Software	3

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by classes of net assets as follows:

Without donor restrictions are those currently available at the discretion of management and board of directors for use in Partners Worldwide, Inc. and Affiliates' operations.

With donor restrictions are those contributed with donor restrictions for specific operating purposes or those with timing restrictions. Net assets with donor restrictions consist of pledges receivable and investments restricted for business growth and job creation program efforts throughout the world.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE AND SUPPORT

Contributions are recorded when the cash is received, unconditional pledges are made or when ownership of donated assets is transferred. All contributions are considered available without donor restrictions, unless specifically restricted by the donor or subject to legal restrictions. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. PW has elected the policy to record conditional contributions received with donor restrictions as contributions without donor restrictions if the restrictions are met within the same fiscal year received.

Other revenue is recognized when earned.

GOVERNMENT GRANT

During the year ended June 30, 2025, PW qualified for a tax credit claimed through the Employee Retention Credit (ERC) program offered through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Laws and regulations concerning government programs, including the ERC, are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the claim to the ERC, and its not possible to determine the impact (if any) this would have upon PW. PW received a credit through the ERC program in the amount of approximately $314,000, recorded as a government grant on the consolidated statements of activities. There were no similar funds received for the year ended June 30, 2026.

CONTRIBUTED NON-FINANCIAL ASSETS

Contributed non-financial assets are donated services. Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by the individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received in the consolidated statements of activities. The donated services are valued based on an estimate of the wage for the same services. The services provided during the years ended June 30, 2026 and 2025, were business consulting services as part of their Business Affiliate program. These services were not monetized or with donor restrictions for the years ended June 30, 2026 and 2025. In addition, many other volunteers have contributed significant amounts of time to PW without compensation. These contributions, although clearly substantial, are not recognized as contributions in the consolidated financial statements since the recognition criteria was not met.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Certain costs not directly attributable to specific program services or functions have been allocated to program services and supporting activities. Management allocates costs based on staff time attributed to the function. Advertising costs are expensed as incurred. PW incurred no joint costs during the years ended June 30, 2026 and 2025.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FOREIGN OPERATIONS

As of June 30, 2026 and 2025, PW held notes receivables with businesses in foreign countries in the amount of $2,224,723 and $3,277,512, respectively. It should be noted that the political situation in these countries are subject to rapid change. Therefore, the reader should be aware that while management believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the value of the assets in other countries.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects PW's financial assets as of June 30, 2026 and 2025, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	June 30, 2026	June 30, 2025
Financial assets:		
Cash and cash equivalents	$ 2,077,144	$ 2,078,848
Investments	14,272,913	12,825,850
Pledges receivable	131,350	118,420
Field advances and other assets	419,168	491,789
Interest receivable	339,102	405,391
Board designated investments	89,340	86,199
Notes receivable, net of allowance for credit losses	2,224,723	3,277,512
Financial assets, at year end	19,553,740	19,284,009
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose or time restrictions	(2,440,133)	(2,706,008)
Board designated investments	(89,340)	(86,199)
Notes receivable, net of allowance for credit losses	(2,004,723)	(3,277,512)
	(4,534,196)	(6,069,719)
Financial assets available to meet cash needs for general expenditures within one year	$ 15,019,544	$ 13,214,290

PW structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The board designated investments could be made available, upon board approval within the next twelve months, if needed.

4. INVESTMENTS:

Investments consist of the following:

	Total	Fair Value Measurements Using: Level 1	Level 2	Level 3
June 30, 2026				
Dignity Products LLC	$ 80,629	$ -	$ -	$ 80,629
Barnabas Foundation Investments	14,212,203	-	-	14,212,203
	14,292,832	-	-	14,292,832
Investments other than at fair value:				
Savings certificate (at cost)	69,421			
Total investments	$ 14,362,253			
Consolidated statements of financial position:				
Investments	$ 14,272,913			
Board designated investments	89,340			
	$ 14,362,253			

	Total	Fair Value Measurements Using: Level 1	Level 2	Level 3
June 30, 2025				
Dignity Products LLC	$ 106,981	$ -	$ -	$ 106,981
Barnabas Foundation Investments	12,734,601	-	-	12,734,601
	12,841,582	-	-	12,841,582
Investments other than at fair value:				
Savings certificate (at cost)	70,467			
Total investments	$ 12,912,049			
Consolidated statements of financial position:				
Investments	$ 12,825,850			
Board designated investments	86,199			
	$ 12,912,049			

4. INVESTMENTS, continued:

The following is a reconciliation of investments in securities for which significant unobservable inputs (Level 3) were used in determining value:

Balance at July 1, 2024	$ 12,355,398
Purchases	265,000
Sales	(600,944)
Change in value	822,128
Balance at June 30, 2025	$ 12,841,582
Purchases	965,797
Sales	(750,000)
Change in value	1,235,453
Balance at June 30, 2026	$ 14,292,832

Investment income on the consolidated statements of activities consists of:

	Years Ended June 30,	
	2026	2025
Interest income	$ 318,546	$ 285,537
Realized gain	1,042,067	295,415
Unrealized gain	192,784	509,184
	$ 1,553,397	$ 1,090,136

5. NOTES RECEIVABLE:

PW and PWE encourage job creation in developing countries by providing below market loan capital to in-country lending affiliates, who in turn provide loans to small through middle market businesses. The unsecured notes receivable are due from unrelated entities and consist of the following:

	June 30, 2026	June 30, 2025
Note receivable from a third-party organization in Ghana, which matured in November 2020 bearing interest at 12%. This note is in collections.	$ 361,104	$ 361,104
Note receivable from a third-party organization in Uganda, bearing interest at 4% and maturing in March 2028.	307,158	330,995
Note receivable from a third-party organization in Nicaragua, bearing interest at 5% and maturing in July 2031.	309,068	329,055
Note receivable from a third-party organization in Kenya, bearing interest at 7% and maturing in February 2027.	221,161	221,161
Note receivable from a third-party organization in Nigeria, bearing interest at 9%. This note matured in May 2024 and is on-hold while being restructured.	148,957	226,754
Note receivable from a third-party organization in Zambia, bearing interest at 0% and matured in March 2021 and is on-hold while being restructured.	213,850	213,850
Note receivable from a third-party organization in El Salvador, bearing interest at 5% and maturing in November 2029.	173,629	201,948
Note receivable from a third-party organization in Nigeria bearing interest at 9% and matured in December 2022. This note is on-hold while being restructured.	195,004	195,004
Note receivable from a third-party organization in Mozambique, bearing interest at 0% and maturing in August 2029.	102,250	131,250

(continued)

5. NOTES RECEIVABLE, continued:

	June 30, 2026	June 30, 2025
Note receivable from a third-party organization in Kenya, bearing interest at 6% and maturing in October 2025. This note is in collections.	136,314	136,314
Note receivable from a third-party organization in Ghana, bearing interest at 6% and maturing in August 2028. This note is in collections.	135,609	135,609
Note receivable from a third-party organization in Nicaragua, bearing interest at 7%. The note receivable was paid in full during the year ended June 30, 2026.	-	350,000
Note receivable form a third-party organization in Liberia, bearing interest at 6% and maturing in June 2029.	46,000	200,000
Note receivable from a third-party organization in Mozambique bearing interest at 6%. The note receivable was paid in full during the year ended June 30, 2026.	-	37,115
Note receivable from a third-party organization in Kenya bearing interest at 7% and maturing in June 2027.	204,931	205,082
Note receivable from a third-party organization in Liberia, bearing interest at 4% and maturing in September 2027. This note was written off in 2026.	-	89,286
Note receivable from a third-party organization in Liberia, bearing interest at 6% and matured in September 2021. This note was written off in 2026.	-	59,135
Note receivable from a third-party organization in Liberia that matured in November 2020, including interest at 1%. This note was written off in 2026.	-	45,180
Note receivable from a third-party organization in Ghana, bearing interest at 5% and matured in November 2022. This note is in collections.	20,000	20,000

(continued)

5. NOTES RECEIVABLE, continued:

	June 30, 2026	June 30, 2025
Note receivable from a third-party organization in Nicaragua, bearing interest at 5% and maturing in November 2026.	36,538	109,872
Note receivable from a third-party organization in Nicaragua, bearing interest at 7% and maturing in March 2032.	200,000	100,000
Note receivable from a third-party organization in Ghana, bearing interest at 5% and maturing in May 2027.	8,348	16,722
Note receivable from a third-party organization in Liberia, bearing interest at 5% and maturing June 2029.	200,000	200,000
Note receivable from a third-party organization in Kenya, bearing interest at 4% and maturing August 2028.	34,517	105,076
Note receivable from a third-party organization in Nigeria, bearing interest at 5% and maturing October 2026.	27,822	87,000
Note receivable from a third-party organization in Zambia, bearing interest at 5% and maturing April 2028.	73,460	100,000
Note receivable from a third-party organization in Ghana, bearing interest at 6% and maturing June 2028.	34,013	50,000
Note receivable from a third-party organization in Swaziland, bearing interest at 0% and maturing December 2026.	14,990	-
Less: Provision for loan losses	(980,000)	(980,000)
	$ 2,224,723	$ 3,277,512

5. NOTES RECEIVABLE, continued:

Partners Worldwide, Inc. and Affiliates adopted the provisions of the *Receivables* topic of the FASB ASC. These provisions require disclosures about the credit quality of financing receivables and the allowance for credit losses. PW and PWE provide loan capital to qualified affiliates world wide, who then manage funds locally by identifying and providing loans to entrepreneurs who have received business training, mentoring, and coaching and are prepared to take their business to the next level.

PW and PWE determined their allowance for estimated credit losses on these notes by looking at historical default rates and analyzing the aging of the past due notes.

The aging of the global loan portfolio by classes of notes consist of the following:

Classes of notes	Not in repayment	Current	Less than 240 days past due	Greater than 240 days but less than 2 years past due	Greater than 2 years less than 5 years past due	Greater than 5 years past due	Total
As of June 30, 2026:							
Global notes	$ 213,850	$ 1,614,524	$ 307,158	$ 221,161	$ 848,030	$ -	$ 3,204,723
Allowance for credit losses							(980,000)
							$ 2,224,723
As a percentage of total loan portfolio	6.67%	50.38%	9.58%	6.90%	26.46%	0.00%	100.00%

Changes in allowance for estimated credit losses on loans in the aggregate for the year ended June 30, 2026, are presented as follows:

Balance, beginning	$ 980,000
Provisions charged to expense	193,600
Loans charged off	(193,600)
	$ 980,000

5. NOTES RECEIVABLE, continued:

Classes of notes	Not in repayment	Current	Less than 240 days past due	Greater than 240 days but less than 2 years past due	Greater than 2 years less than 5 years past due	Greater than 5 years past due	Total
As of June 30, 2025:							
Global notes	$ 694,742	$ 2,223,123	$ 688,470	$ -	$ 651,177	$ -	$ 4,257,512
Allowance for credit losses							(980,000)
							$ 3,277,512
As a percentage of total loan portfolio	16.32%	52.22%	16.17%	0.00%	15.29%	0.00%	100.00%

Changes in allowance for estimated credit losses on loans in the aggregate for the year ended June 30, 2025, are presented as follows:

Balance, beginning	$ 860,000
Provisions charged to expense	120,000
Loans charged off	-
	$ 980,000

5. NOTES RECEIVABLE, continued:

For each class of financing receivables, the following presents the recorded investment by credit quality indicator:

	June 30, 2026	June 30, 2025
Performing	$ 2,356,693	$ 3,562,770
Nonperforming	848,030	694,742
	$ 3,204,723	$ 4,257,512

For global notes, the credit quality indicator is performance determined by delinquency status. Delinquency status is updated quarterly by PW and PWE's loan issuer/loan committee.

6. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	June 30, 2026	June 30, 2025
Land	$ 350,000	$ 350,000
Buildings and improvements	566,182	566,182
Equipment	88,115	79,864
Vehicles	57,429	57,429
Software	97,397	97,397
	1,159,123	1,150,872
Accumulated depreciation and amortization	(494,311)	(450,225)
	$ 664,812	$ 700,647

Depreciation expense for the years ending June 30, 2026 and 2025 were $44,086 and $42,585, respectively.

7. NOTES PAYABLE:

PW had an unsecured note payable with a third party with interest at 1%. The final payment was due in February 2026 when the note matured. As of June 30, 2026 and 2025, the principal balance outstanding was $-0- and $94,980, respectively. The unsecured note payable was paid in full as of June 30, 2026. As of June 30, 2026 and 2025, PW was in compliance with all debt covenants.

8. RETIREMENT PLAN:

PW has a defined contribution retirement plan for substantially all of its employees who meet the eligibility requirements. Contributions to the plan are at the discretion of management. PW's current policy is to make contributions equal to 4% of qualified wages. Contributions were $53,125 and $25,684 for the years ending June 30, 2026 and 2025, respectively.

9. NET ASSETS:

The following classifications reflect the nature of net assets:

	June 30, 2026	June 30, 2025
Net assets without donor restrictions:		
Undesignated	$ 17,416,668	$ 16,733,275
Board designated	89,340	86,199
	17,506,008	16,819,474
Net assets with donor restrictions:		
Restricted by time or purpose:		
Time	131,350	118,420
Purpose - global projects	2,308,783	2,587,588
	2,440,133	2,706,008
Total net assets	$ 19,946,141	$ 19,525,482

10. RELATED PARTIES:

PW received contributions from members of the board in the amount of approximately $112,000 and $216,000 during the years ending June 30, 2026 and 2025, respectively.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 15, 2026, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.