

ACCION East, Inc.

ACCION

**Consolidated Financial Statements
(Together with Independent Auditors' Report)**

Years Ended December 31, 2018 and 2017

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

ACCION East, Inc.
CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
ACCION East, Inc.

We have audited the accompanying consolidated financial statements of ACCION East, Inc. ("ACCION"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ACCION East, Inc. as of December 31, 2018 and 2017, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information (shown on pages 16-21) is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, the changes in net assets, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits 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 supplementary information is fairly stated in all material respects when considered in relation to the consolidated financial statements taken as a whole.

Marks Paneth LLP

New York, NY
May 31, 2019

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

ASSETS	<u>2018</u>	<u>2017</u>
Cash and cash equivalents (Notes 2C and 9)	\$ 2,278,032	\$ 6,475,940
Contributions and grants receivable (Note 2E)	1,827,568	1,795,741
Interest on loans receivable (Note 2F)	410,756	192,472
Loans receivable, net (Notes 2F, 2G and 4)	14,824,691	12,430,665
Cash restricted for loan funds (Note 2D)	4,383,157	3,813,672
Prepaid expenses and other assets	161,658	251,585
Property and equipment, net (Notes 2H and 5)	<u>345,932</u>	<u>103,136</u>
TOTAL ASSETS	<u>\$ 24,231,794</u>	<u>\$ 25,063,211</u>
LIABILITIES		
Accounts payable and accrued expenses (Note 11)	\$ 583,139	\$ 580,641
Other liabilities	294,497	233,466
Deferred rent (Note 7)	121,966	130,382
Notes and recoverable grants payable (Note 6)	15,189,596	14,687,816
Subordinated debt (Note 6)	<u>500,000</u>	<u>500,000</u>
TOTAL LIABILITIES	<u>16,689,198</u>	<u>16,132,305</u>
COMMITMENTS AND CONTINGENCIES (Note 7)		
NET ASSETS (Note 2B)		
Without donor restrictions	5,942,994	6,209,161
With donor restrictions (Note 8)	<u>1,599,602</u>	<u>2,721,745</u>
TOTAL NET ASSETS	<u>7,542,596</u>	<u>8,930,906</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 24,231,794</u>	 <u>\$ 25,063,211</u>

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

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Year Ended December 31, 2018			Year Ended December 31, 2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions and grants (Notes 2E and 2I)	\$ 1,593,711	\$ 2,979,150	\$ 4,572,861	\$ 2,019,054	\$ 4,157,680	\$ 6,176,734
Special events revenue (net of direct expenses of \$26,785 and \$27,586 in 2018 and 2017, respectively) (Note 2K)	<u>117,825</u>	<u>-</u>	<u>117,825</u>	<u>156,343</u>	<u>-</u>	<u>156,343</u>
Total contributions and grant revenue	1,711,536	2,979,150	4,690,686	2,175,397	4,157,680	6,333,077
Revenue:						
Interest on loans (Note 2F)	1,632,208	-	1,632,208	1,616,237	-	1,616,237
Program fees	939,502	-	939,502	690,127	-	690,127
Interest income	5,126	-	5,126	1,019	-	1,019
Other revenue (Note 2F)	<u>92,224</u>	<u>-</u>	<u>92,224</u>	<u>657,721</u>	<u>-</u>	<u>657,721</u>
Total Revenue	<u>2,669,060</u>	<u>-</u>	<u>2,669,060</u>	<u>2,965,104</u>	<u>-</u>	<u>2,965,104</u>
Net assets released from restrictions (Note 8)	<u>4,101,293</u>	<u>(4,101,293)</u>	<u>-</u>	<u>4,438,704</u>	<u>(4,438,704)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>8,481,889</u>	<u>(1,122,143)</u>	<u>7,359,746</u>	<u>9,579,205</u>	<u>(281,024)</u>	<u>9,298,181</u>
EXPENSES:						
Program services:						
Lending/development services	6,629,134	-	6,629,134	5,800,998	-	5,800,998
Community advantage	<u>518,653</u>	<u>-</u>	<u>518,653</u>	<u>597,463</u>	<u>-</u>	<u>597,463</u>
Total program services	7,147,787	-	7,147,787	6,398,461	-	6,398,461
Supporting services:						
Management and general	1,028,179	-	1,028,179	804,464	-	804,464
Fundraising	<u>572,090</u>	<u>-</u>	<u>572,090</u>	<u>598,577</u>	<u>-</u>	<u>598,577</u>
Total supporting services	1,600,269	-	1,600,269	1,403,041	-	1,403,041
TOTAL EXPENSES	<u>8,748,056</u>	<u>-</u>	<u>8,748,056</u>	<u>7,801,502</u>	<u>-</u>	<u>7,801,502</u>
CHANGE IN NET ASSETS	(266,167)	(1,122,143)	(1,388,310)	1,777,703	(281,024)	1,496,679
Net assets - beginning of year	<u>6,209,161</u>	<u>2,721,745</u>	<u>8,930,906</u>	<u>4,431,458</u>	<u>3,002,769</u>	<u>7,434,227</u>
NET ASSETS - END OF YEAR	<u>\$ 5,942,994</u>	<u>\$ 1,599,602</u>	<u>\$ 7,542,596</u>	<u>\$ 6,209,161</u>	<u>\$ 2,721,745</u>	<u>\$ 8,930,906</u>

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(With Comparative Totals for 2017)

	Year Ended December 31, 2018							
	Program Services			Supporting Services				
	Lending/ Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2018	Total 2017
Personnel costs (Note 10)	\$ 3,501,613	\$ 235,376	\$ 3,736,989	\$ 570,474	\$ 426,768	\$ 997,242	\$ 4,734,231	\$ 4,409,445
Professional fees and marketing (Note 2l)	328,679	149,348	478,027	346,928	61,464	408,392	886,419	908,676
Office and occupancy (Note 7)	464,304	15,813	480,117	57,593	43,598	101,191	581,308	517,600
Travel and conferences	158,479	5,398	163,877	19,658	14,881	34,539	198,416	146,828
Interest and fees (Note 6)	506,747	44,212	550,959	-	-	-	550,959	562,056
Depreciation and amortization (Note 5)	84,764	2,887	87,651	10,512	7,957	18,469	106,120	55,293
Loan loss provision (Note 4)	1,222,813	60,711	1,283,524	-	-	-	1,283,524	1,118,282
Other expenses	361,735	4,908	366,643	23,014	17,422	40,436	407,079	83,322
TOTAL EXPENSES	\$ 6,629,134	\$ 518,653	\$ 7,147,787	\$ 1,028,179	\$ 572,090	\$ 1,600,269	\$ 8,748,056	\$ 7,801,502

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

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

Year Ended December 31, 2017

	Program Services			Supporting Services			
	Lending/ Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel costs (Note 10)	\$ 3,277,983	\$ 319,242	\$ 3,597,225	\$ 381,858	\$ 430,362	\$ 812,220	\$ 4,409,445
Professional fees and marketing (Note 21)	400,353	59,491	459,844	355,851	92,981	448,832	908,676
Office and occupancy (Note 7)	384,785	37,474	422,259	44,824	50,517	95,341	517,600
Travel and conferences	110,160	10,346	120,506	12,375	13,947	26,322	146,828
Interest and fees (Note 6)	464,242	97,814	562,056	-	-	-	562,056
Depreciation and amortization (Note 5)	41,462	3,902	45,364	4,668	5,261	9,929	55,293
Loan loss provision (Note 4)	1,053,175	65,107	1,118,282	-	-	-	1,118,282
Other expenses	68,838	4,087	72,925	4,888	5,509	10,397	83,322
TOTAL EXPENSES	\$ 5,800,998	\$ 597,463	\$ 6,398,461	\$ 804,464	\$ 598,577	\$ 1,403,041	\$ 7,801,502

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

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2018</u>	<u>2017</u>
Change in net assets	\$ (1,388,310)	\$ 1,496,679
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Provision for loan losses	1,283,524	1,118,282
Depreciation and amortization	<u>106,120</u>	<u>55,293</u>
	1,334	2,670,254
Changes in assets and liabilities:		
Contributions and grants receivable	(31,827)	819,976
Interest on loans receivable	(218,284)	(93,028)
Prepaid expenses and other assets	89,927	186,311
Accounts payable and accrued expenses	2,498	193,136
Other liabilities	61,031	(37,798)
Deferred rent	<u>(8,416)</u>	<u>(2,752)</u>
Net Cash (Used in) Provided by Operating Activities	<u>(103,737)</u>	<u>3,736,099</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disbursements under loan programs	(11,939,222)	(10,347,460)
Collections under loan programs	8,261,672	9,731,183
Change in cash restricted for loan fund	(569,485)	84,892
Purchases of property and equipment	<u>(348,916)</u>	<u>(55,382)</u>
Net Cash Used in Investing Activities	<u>(4,595,951)</u>	<u>(586,767)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	5,503,975	4,553,137
Repayments of notes payable	<u>(5,002,195)</u>	<u>(3,923,006)</u>
Net Cash Provided by Financing Activities	<u>501,780</u>	<u>630,131</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(4,197,908)	3,779,463
Cash and cash equivalents - beginning of year	<u>6,475,940</u>	<u>2,696,477</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,278,032</u>	<u>\$ 6,475,940</u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 300,101</u>	<u>\$ 262,986</u>

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The mission of ACCION East, Inc. (“ACCION”) is to empower low-to-moderate income business owners through access to capital and financial education. Through its loans and services, ACCION helps micro-entrepreneurs strengthen their businesses, stabilize and increase their incomes, create additional employment and contribute to the economic revitalization of their communities.

ACCION East, Inc. (a New York non-profit corporation) is the sole member of Accion East, Inc. (a Massachusetts non-profit corporation) (“ACCION-MA”). These entities are nonprofit charitable and civic organizations exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The consolidated financial statements reflect the consolidated results of both entities and are referred to as “ACCION” for the purpose of these consolidated financial statements. All intercompany transactions have been eliminated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ACCION's consolidated financial statements have been prepared on the accrual basis of accounting using accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. ACCION reports grants, gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the 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 statement of activities as net assets released from restrictions. Net assets without donor restrictions represent net assets not subject to donor-imposed restrictions.
- C. Cash and cash equivalents consist of highly liquid debt instruments purchased with original maturities of three months or less when acquired, except for those amounts held for long-term investment purposes, which are included in investments.
- D. Restricted cash consists of amounts for which the use has been restricted by lenders for specific loan programs.
- E. Contributions and grants receivable are recorded as revenue when the pledge is made and are considered implicitly time restricted. Management evaluates the need for an allowance for doubtful accounts applicable to its contributions and grants receivable based on various factors, including an assessment of the credit worthiness of its donors, aging of the amount due and historical experience. As of December 31, 2018 and 2017, management determined that an allowance for doubtful accounts was not necessary for contributions and grants receivable. Contributions and grants receivable due in more than one year are recorded at the present value of their estimated future cash flows, determined using risk-adjusted interest rates applicable to the years in which the promises are made. As of December 31, 2018 and 2017, all contributions and grants receivable were due within one year.
- F. Management considers a loan to be impaired when it is probable that ACCION will be unable to collect all amounts due according to the contractual terms of the loan agreement. Management evaluates loans for impairment based on delinquency information, and an assessment of the borrower's financial condition. Impaired loans are written off when payments are past due 120 days or in some cases earlier.

The allowance for loan losses reflects loan impairment and is calculated using impairment rates approved by the Board of Directors and is calculated based on the aging of impaired loans and historical write-off trends.

At December 31, 2018 and 2017, ACCION's loan loss reserve includes approximately \$61,000 and \$91,000, respectively, for the Small Business Administration 7(a) Community Advantage (“SBA CA”) Program. ACCION is in compliance with the loan loss reserve requirements for the SBA CA Program.

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest income on loans is recognized based on the principal amount outstanding and the related rate of interest. The accrual of interest on loans is calculated using the same impairment classifications used for allowance for loan losses.

Under certain circumstances, ACCION will provide borrowers relief through loan restructuring. A restructuring of debt constitutes a troubled debt restructuring (“TDR”) if ACCION, for economic or legal reasons related to the borrower’s financial difficulties, grants a concession to the borrower that it would not otherwise consider. TDR concessions can include reduction of interest rates, extension of maturity dates, forgiveness of principal and/or interest due, or acceptance of other assets in full or partial satisfaction of the debt. ACCION considers all aspects of the restructuring to determine whether it has granted a concession to the borrower. An insignificant delay in payment resulting from a restructuring is not deemed to be a concession and would not be considered to be a TDR.

ACCION has concluded that the impairment impact of TDR on its loan portfolio (generally lower balance loans having original maturities of 60 months or less) is insignificant to the consolidated financial statements. As such these impairments are individually tracked in the loan portfolio and are adequately included in the loss allowance provided for the loan portfolio.

ACCION collected previously written off loan receivables of approximately \$36,000 and \$200,000 during 2018 and 2017, respectively. Additionally, ACCION granted forgiveness of debts effectively releasing debtors from repayment obligations in the amount of \$67,528 during 2017. These amounts were included as other revenue in the accompanying consolidated statements of activities.

- G. U.S. GAAP requires that when a not-for-profit organization receives or makes loans of cash that carry interest rates below the prevailing market rate, the imputed interest be recorded as contributions received or paid, respectively. ACCION both receives and makes loans with stated rates of interest that vary from the prevailing market rates for commercial loans. However, ACCION considers its market to be the Community Development Financial Institution (“CDFI”) industry as opposed to the financial institutions industry in general. Consequently, ACCION believes there is no material difference between community development finance market rates and the stated rates of loans in their portfolios. ACCION accounts for these loans at the stated rates.
- H. Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. ACCION capitalizes all property and equipment having a useful life of greater than one year and a cost of \$500 or more. Expenses for maintenance and repairs are charged to operations as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, with any net gain or loss reflected in the consolidated statement of activities for the period. Leasehold improvements are amortized over the lesser of their estimated useful lives or the term of the lease. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. In addition to tangible assets, ACCION also capitalizes the internal and external costs incurred to develop in-house computer software during the application development stage. This includes the cost to develop or obtain software that allows for access or conversion of old data by new systems. Capitalized software is amortized over its estimated useful life.
- I. Donated services are recognized in the consolidated financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. ACCION received contributed legal services that are valued at the standard market rates that would have been incurred by ACCION to obtain such services. Contributed services are reported as revenue and expense in the accompanying consolidated statements of activities, because they meet the criteria for recognition. ACCION received contributed services of approximately \$90,000 and \$65,000 during 2018 and 2017, respectively.

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- J. The costs of providing ACCION’s program and supporting services have been summarized on a functional basis in the accompanying consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated on a reasonable and consistent basis between program and supporting services based on an analysis of estimated time and effort. The expenses that are allocated include salaries, payroll taxes and employee benefits, professional fees, occupancy, communications, insurance, supplies, equipment, and other miscellaneous office expenses. Other costs are directly applied based on their explicit nature, including interest expense, provision for loan losses, outreach and similar as direct programmatic costs, and professional fees for audit, accounting, and development as costs for supporting services.
- K. ACCION conducts a special event in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. All proceeds received are recorded as special event revenue in the accompanying consolidated statements of activities.
- L. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTE 3 – LIQUIDITY

Cash account balances, net of outstanding checks, for the operations and lending accounts are reviewed daily by accounting and finance staff, and weekly with management. Management reviews weekly, a cashflow trend analysis and forecast of upcoming cash needs in order to determine when and if ACCION’s lines of credit will be drawn or repaid, or if lending or vendor payments must be constricted.

As of December 31, 2018, ACCION had working capital of approximately \$13 million and a current ratio of 8.13. At year end, cash and cash equivalents of approximately \$2.3 million represented 31 days of cash on hand based on the 2019 budget, inclusive of operating expenses and lending forecasts, but excluding depreciation and provision expenses. ACCION additionally had short-term receivables of approximately \$8.1 million.

As of December 31, 2018, the following tables show the total financial assets held and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures.

Financial assets at year-end:

Cash and cash equivalents	\$ 2,278,032
Contributions and grants receivable	1,827,568
Interest on loans receivable	410,756
Loans receivable, net	14,824,691
Cash restricted for loans funds	4,383,157
Total financial assets at year-end	\$ 23,724,204

Financial assets available to meet general expenditures over the next 12 months:

Cash and cash equivalents	\$ 2,278,032
Contributions and grants receivable	1,827,568
Interest on loans receivable	410,756
Loans receivable	7,190,877
Total financial assets at year-end available for general expenditures	\$ 11,707,233

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4 – LOANS RECEIVABLE

Loans receivable consists of microloans (loans under \$35,000), small business loans (loans \$35,000 and over) and SBA CA loans. Loans receivable as of December 31, 2018 and 2017, include the following:

December 31, 2018

	<u>Micro loans</u>	Small business <u>Loans</u>	<u>SBA CA Loans</u>	<u>Total</u>
Loans receivable	\$ 13,968,167	\$ 790,065	\$ 1,378,702	\$ 16,136,934
Less allowance for uncollectible loans	<u>(1,173,714)</u>	<u>(77,818)</u>	<u>(60,711)</u>	<u>(1,312,243)</u>
Loans receivable, net	<u>\$ 12,794,453</u>	<u>\$ 712,247</u>	<u>\$ 1,317,991</u>	<u>\$ 14,824,691</u>

December 31, 2017

	<u>Micro loans</u>	Small business <u>Loans</u>	<u>SBA CA Loans</u>	<u>Total</u>
Loans receivable	\$ 11,928,899	\$ 603,765	\$ 1,235,716	\$ 13,768,380
Less allowance for uncollectible loans	<u>(1,211,973)</u>	<u>(34,542)</u>	<u>(91,200)</u>	<u>(1,337,715)</u>
Loans receivable, net	<u>\$ 10,716,926</u>	<u>\$ 569,223</u>	<u>\$ 1,144,516</u>	<u>\$ 12,430,665</u>

An aged analysis of loans segregated by loan program as of December 31, 2018, follows:

	<u>30 – 90 Days</u>	Over <u>90 Days</u>	Total Past <u>Due</u>	<u>Current</u>	<u>Total</u>
Micro loans	\$ 300,773	\$ 189,761	\$ 490,534	\$ 13,477,633	\$ 13,968,167
Small business loans	26,020	-	26,020	764,045	790,065
SBA CA loans	<u>-</u>	<u>46,887</u>	<u>46,887</u>	<u>1,331,815</u>	<u>1,378,702</u>
Loans receivable	<u>\$ 326,793</u>	<u>\$ 236,648</u>	<u>\$ 563,441</u>	<u>\$ 15,573,493</u>	<u>\$ 16,136,934</u>

An aged analysis of loans segregated by loan program as of December 31, 2017, follows:

	<u>30 – 90 Days</u>	Over <u>90 Days</u>	Total Past <u>Due</u>	<u>Current</u>	<u>Total</u>
Micro loans	\$ 377,913	\$ 291,676	\$ 669,589	\$ 11,259,310	\$ 11,928,899
Small business loans	-	-	-	603,765	603,765
SBA CA loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,235,716</u>	<u>1,235,716</u>
Loans receivable	<u>\$ 377,913</u>	<u>\$ 291,676</u>	<u>\$ 669,589</u>	<u>\$ 13,098,791</u>	<u>\$ 13,768,380</u>

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4 – LOANS RECEIVABLE (Continued)

The loans receivable include restructured loans as of December 31, 2018 and 2017 as follows:

	<u>2018</u>	<u>2017</u>
Restructured loans receivable	\$ 368,306	\$ 260,515
Less allowance for uncollectible loans	<u>(187,919)</u>	<u>(140,658)</u>
	<u>\$ 180,387</u>	<u>\$ 119,857</u>

An analysis of the loan loss allowance for the years ended December 31, 2018 and 2017 follows:

	<u>2018</u>	<u>2017</u>
Balance beginning of year	\$ 1,337,715	\$ 1,323,340
Provision for loan losses	1,283,524	1,118,282
Loans written-off	<u>(1,308,996)</u>	<u>(1,103,907)</u>
	<u>\$ 1,312,243</u>	<u>\$ 1,337,715</u>

The liquidity of the loan portfolio (net) for the years ended December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Due less than one year	\$ 7,190,877	\$ 6,881,602
Due over one year	<u>7,633,814</u>	<u>5,549,063</u>
	<u>\$ 14,824,691</u>	<u>\$ 12,430,665</u>

The SBA allows the sale of the guaranteed portion of the CA loan on the secondary market. During 2018 and 2017, ACCION sold participating interests of the guaranteed portion of loans with a carrying value at the time of sale of \$1,922,771 and \$1,380,988, respectively, for \$2,063,999 and \$1,492,623, respectively, resulting in a gain on the sale of the participated interest of \$141,228 and \$111,635, respectively, and is included in program fees in the accompanying consolidated statements of activities.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2018</u>	<u>2017</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	\$ 31,385	\$ 31,385	5 - 10 years
Capitalized hardware and software	755,859	448,223	3 - 5 years
Furniture, fixtures and equipment	<u>171,881</u>	<u>171,881</u>	3 - 5 years
Total cost	959,125	651,489	
Less: accumulated depreciation and amortization	<u>(613,193)</u>	<u>(548,353)</u>	
Net book value	<u>\$ 345,932</u>	<u>\$ 103,136</u>	

Depreciation and amortization expense amounted to \$106,120 and \$55,293 for the years ended December 31, 2018 and 2017, respectively. During the year ended December 31, 2018, ACCION wrote off fully depreciated fixed assets of \$41,280.

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 6 – NOTES PAYABLE AND SUBORDINATED DEBT

The following is a summary of ACCION's credit agreements with various banks and other lenders to fund its operating and microlending activities at December 31:

	<u>2018</u>	<u>2017</u>
<u>Notes payable – secured</u>		
Short-term secured borrowing from HSBC bank for a fixed fee per loan (a).	\$ -	\$ 3,600,440
<u>Notes payable – secured</u>		
Secured borrowing consisting of federal loan funds secured by program-funded loans receivable	3,751,122	4,411,802
<u>Notes payable – unsecured</u>		
Maturity terms range from one to ten years, fixed interest rates ranging from 0% to 4% and floating interest rates ranging from the Federal Funds Rate to LIBOR plus 1% per annum (0.58% at December 31, 2018 and 2017).	11,438,474	6,675,574
Total notes and recoverable grants payable	<u>\$ 15,189,596</u>	<u>\$ 14,687,816</u>

(a) In December 2017, ACCION entered into a Participation Agreement with HSBC bank to sell 100% non-recourse participation interests in approximately 560 micro loans at the carrying value at the time of sale. ACCION continues to service the sold participating interests on behalf of the bank and receives adequate compensation for servicing the receivables. The transaction was accounted for as secured borrowing, as it is determined that ACCION did not surrender control of such loan receivables under the provisions of Accounting Standards Codification (“ASC”) 860.

	<u>2018</u>	<u>2017</u>
<u>Subordinated debt – EQ2 Loans – unsecured</u>		
The equity equivalent investment, commonly referred to in the community development financing industry as an “EQ2 Loan”, is a capital product designed by lenders to increase available funding and investments to economically disadvantaged communities. EQ2 loans are subordinated to ACCION’s other loan agreements.	\$ 500,000	\$ 500,000

Maturity terms range from one to ten years with fixed interest rates ranging from 0% to 4%. No principal payments are required until maturity.

Future annual principal payments due are as follows:

<u>Years ending on December 31:</u>	<u>Amount</u>
2019	\$ 1,412,412
2020	5,542,786
2021	1,649,013
2022	1,545,883
2023	3,316,219
Thereafter	2,223,283
Total	<u>\$ 15,689,596</u>

Included in amounts due during 2020, 2022, and 2023 is a revolving line of credit balance of \$4,890,567 on which \$5,300,000 was outstanding as of May 31, 2019. The line of credit is renewable annually after 2020. Included in amounts due thereafter (due in 2027) is a line of credit of \$700,000 on which \$700,000 was outstanding as of May 31, 2019. The line of credit is payable in \$500,000 installments each April beginning in 2020.

Interest expense was \$300,245 and \$251,105 for the years ended December 31, 2018 and 2017, respectively.

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 7 – COMMITMENTS AND CONTINGENCIES

A. ACCION leased space in New York, Boston, Orlando and Miami during the year ended December 31, 2018. The leases range in maturity from month-to-month to year 2023 and include rent increases, which are amortized on a straight-line basis. Deferred rent was \$121,966 and \$130,382 as of December 31, 2018 and 2017, respectively, and is included in the accompanying consolidated statements of financial position. The estimated annual amortization of deferred rent for the year following December 31, 2018 is \$8,416.

Future minimum lease payments are due as follows for the years ending after December 31, 2018:

2019	\$ 298,778
2020	292,240
2021	279,796
2022	271,718
2023	161,991
	<u>\$ 1,304,523</u>

Rent expense of \$351,780 and \$327,938 was included in office and occupancy expenses in the accompanying consolidated statements of functional expenses for the years ended December 31, 2018 and 2017, respectively.

B. ACCION believes it has no uncertain tax positions as of December 31, 2018 and 2017 in accordance with ASC Topic 740, Income Taxes, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2018 and 2017 are available for the following purposes:

<u>Government Grants:</u>	<u>2018</u>	<u>2017</u>
Pollution emission-reduction program for New York/New Jersey ports	\$ -	\$ 1,794
Economic revitalization and community development	-	1,006,905
<u>Private Grants:</u>		
Microlending and Capacity Building	668,183	597,439
Irma Relief Program	-	50,000
Lending and Financial Education for Diverse Entrepreneurs in Florida	-	250,000
Microlending in Jacksonville	-	10,000
Microlending to Veterans	-	57,600
2019 Event Sponsorship	15,000	-
Microlending and Financial Education to Women in New York	75,000	-
Microlending and Financial Education in New York	143,333	150,000
Microlending in the Northeast	150,000	-
Massachusetts Small Business Owners	-	20,000
Mentorship for Women Entrepreneurs in New York	-	30,000
Childcare Provider Initiative in New York	25,000	-
Massachusetts and Technical Assistance in Massachusetts	36,850	-
Other	-	25,000
<u>Loan Fund Grants:</u>		
Upper Manhattan microloan capital (New York)	486,236	486,238
Florida State microloan capital	-	16,882
Lower Manhattan microloan capital (New York)	-	19,887
	<u>\$ 1,599,602</u>	<u>\$ 2,721,745</u>

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions of \$4,101,293 and \$4,438,704 for the years December 31, 2018 and 2017, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors or the passage of time.

NOTE 9 – CONCENTRATION

Cash and cash equivalents that potentially subject ACCION to a concentration of credit risk include cash accounts with two banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of December 31, 2018 and 2017, there were approximately \$6,146,000 and \$9,502,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits.

NOTE 10 – RETIREMENT PLAN

ACCION participates in a retirement savings plan covering all employees who meet the minimum service requirements. ACCION has the option to match its employees’ contributions up to 5% of employee salaries. ACCION made no matching contributions for the years ended December 31, 2018 and 2017.

NOTE 11 – RELATED-PARTY TRANSACTIONS

Effective December 31, 2008, ACCION entered into a shared services agreement with ACCION International for the use of shared office space and equipment, administrative support and information technology support. The agreement does not have a maturity date, but can be terminated by either party in writing with ninety (90) days advance notice. In each of the years ended December 31, 2018 and 2017, amounts paid to ACCION International were \$93,819 and \$105,503, respectively. Approximately \$63,000 and \$27,000 was due to ACCION International at December 31, 2018 and 2017, respectively, relating to this shared services agreement.

ACCION entered into a trademark sublicense agreement with ACCION, The U.S. Network (the “Network”) that was effective December 31, 2011 and had an initial three-year term. It is automatically renewed annually. The agreement provides for the legal use of the “ACCION” brand by ACCION. In addition, ACCION entered into a membership dues agreement with the Network that sets forth the membership fee owed to the Network and the minimum performance standards required for membership. In connection with these agreements, ACCION East, Inc. paid \$20,000 and \$18,000 to the Network for the years ended December 31, 2018 and 2017, respectively.

ACCION entered into a Managed Service Provider (“MSP”) agreement with the Network in 2018, allowing ACCION to use the Network’s technology platform, and for which the Network provides ongoing support. ACCION East, Inc. paid \$171,638 under the MSP agreement and for related costs in 2018 to the Network.

In addition, ACCION reimbursed the Network for certain consultant costs relating to the buildout of the technology platform. ACCION East, Inc. paid \$281,320 in 2018 to the Network to cover these costs.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through May 31, 2019, the date the consolidated financial statements were available to be issued.

ACCION East, Inc.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018

	<u>ACCION</u>	<u>ACCION-MA</u>	<u>Total</u>	<u>Consolidating Eliminations</u>	<u>Consolidated Total</u>
ASSETS					
Cash and cash equivalents	\$ 2,278,032	\$ -	\$ 2,278,032	\$ -	\$ 2,278,032
Contributions and grants receivable	1,775,293	52,275	1,827,568	-	1,827,568
Interest on loans receivable	410,756	-	410,756	-	410,756
Loans receivable, net	14,824,691	-	14,824,691	-	14,824,691
Cash restricted for loan funds	4,383,157	-	4,383,157	-	4,383,157
Prepaid expenses and other assets	159,638	2,020	161,658	-	161,658
Property and equipment, net	<u>345,932</u>	<u>-</u>	<u>345,932</u>	<u>-</u>	<u>345,932</u>
TOTAL ASSETS	<u>\$ 24,177,499</u>	<u>\$ 54,295</u>	<u>\$ 24,231,794</u>	<u>\$ -</u>	<u>\$ 24,231,794</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 583,139	\$ -	\$ 583,139	\$ -	\$ 583,139
Other liabilities	283,745	10,752	294,497	-	294,497
Deferred rent	121,966	-	121,966	-	121,966
Notes and recoverable grants payable	15,189,596	-	15,189,596	-	15,189,596
Subordinated debt	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
TOTAL LIABILITIES	<u>16,678,446</u>	<u>10,752</u>	<u>16,689,198</u>	<u>-</u>	<u>16,689,198</u>
NET ASSETS					
Without donor restrictions	5,936,301	6,693	5,942,994	-	5,942,994
With donor restrictions	<u>1,562,752</u>	<u>36,850</u>	<u>1,599,602</u>	<u>-</u>	<u>1,599,602</u>
TOTAL NET ASSETS	<u>7,499,053</u>	<u>43,543</u>	<u>7,542,596</u>	<u>-</u>	<u>7,542,596</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,177,499</u>	<u>\$ 54,295</u>	<u>\$ 24,231,794</u>	<u>\$ -</u>	<u>\$ 24,231,794</u>

ACCION East, Inc.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017

	<u>ACCION</u>	<u>ACCION-MA</u>	<u>Total</u>	<u>Consolidating Eliminations</u>	<u>Consolidated Total</u>
ASSETS					
Cash and cash equivalents	\$ 6,475,940	\$ -	\$ 6,475,940	\$ -	\$ 6,475,940
Contributions and grants receivable	1,795,741	-	1,795,741	-	1,795,741
Interest on loans receivable	192,472	-	192,472	-	192,472
Loans receivable, net	12,430,665	-	12,430,665	-	12,430,665
Due from related party	2,759,548	-	2,759,548	(2,759,548)	-
Cash restricted for loan funds	3,813,672	-	3,813,672	-	3,813,672
Prepaid expenses and other assets	249,565	2,020	251,585	-	251,585
Property and equipment, net	<u>103,114</u>	<u>22</u>	<u>103,136</u>	-	<u>103,136</u>
TOTAL ASSETS	<u>\$ 27,820,717</u>	<u>\$ 2,042</u>	<u>\$ 27,822,759</u>	<u>\$ (2,759,548)</u>	<u>\$ 25,063,211</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 580,641	\$ -	\$ 580,641	\$ -	\$ 580,641
Due to related party	-	2,759,548	2,759,548	(2,759,548)	-
Other liabilities	222,716	10,750	233,466	-	233,466
Deferred rent	130,382	-	130,382	-	130,382
Notes and recoverable grants payable	14,687,816	-	14,687,816	-	14,687,816
Subordinated debt	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
TOTAL LIABILITIES	<u>16,121,555</u>	<u>2,770,298</u>	<u>18,891,853</u>	<u>(2,759,548)</u>	<u>16,132,305</u>
NET ASSETS					
Without donor restrictions	8,977,417	(2,768,256)	6,209,161	-	6,209,161
With donor restrictions	<u>2,721,745</u>	<u>-</u>	<u>2,721,745</u>	<u>-</u>	<u>2,721,745</u>
TOTAL NET ASSETS	<u>11,699,162</u>	<u>(2,768,256)</u>	<u>8,930,906</u>	<u>-</u>	<u>8,930,906</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,820,717</u>	<u>\$ 2,042</u>	<u>\$ 27,822,759</u>	<u>\$ (2,759,548)</u>	<u>\$ 25,063,211</u>

ACCION East, Inc.
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	ACCION		Total	ACCION-MA		Total	Consolidating	Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions			Eliminations	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE:										
Contributions and grants	\$ 1,593,711	\$ 2,899,450	\$ 4,493,161	\$ -	\$ 79,700	\$ 79,700	\$ -	\$ 1,593,711	\$ 2,979,150	\$ 4,572,861
Special events revenue (net of direct expenses of \$26,785)	117,825	-	117,825	-	-	-	-	117,825	-	117,825
Total contributions and grant revenue	1,711,536	2,899,450	4,610,986	-	79,700	79,700	-	1,711,536	2,979,150	4,690,686
Revenue:										
Interest on loans	1,632,208	-	1,632,208	-	-	-	-	1,632,208	-	1,632,208
Program fees	939,502	-	939,502	-	-	-	-	939,502	-	939,502
Interest income	5,126	-	5,126	-	-	-	-	5,126	-	5,126
Other revenue	92,224	-	92,224	2,774,972	-	2,774,972	(2,774,972)	92,224	-	92,224
Total Revenue	2,669,060	-	2,669,060	2,774,972	-	2,774,972	(2,774,972)	2,669,060	-	2,669,060
Net assets released from restrictions	4,058,443	(4,058,443)	-	42,850	(42,850)	-	-	4,101,293	(4,101,293)	-
TOTAL SUPPORT AND REVENUE	8,439,039	(1,158,993)	7,280,046	2,817,822	36,850	2,854,672	(2,774,972)	8,481,889	(1,122,143)	7,359,746
EXPENSES:										
Program services:										
Lending/Development Services	8,801,283	-	8,801,283	42,873	-	42,873	(2,215,022)	6,629,134	-	6,629,134
Community Advantage	595,552	-	595,552	-	-	-	(76,899)	518,653	-	518,653
Total program services	9,396,835	-	9,396,835	42,873	-	42,873	(2,291,921)	7,147,787	-	7,147,787
Supporting services:										
Management and general	1,303,107	-	1,303,107	-	-	-	(274,928)	1,028,179	-	1,028,179
Fundraising	780,213	-	780,213	-	-	-	(208,123)	572,090	-	572,090
Total supporting services	2,083,320	-	2,083,320	-	-	-	(483,051)	1,600,269	-	1,600,269
TOTAL EXPENSES	11,480,155	-	11,480,155	42,873	-	42,873	(2,774,972)	8,748,056	-	8,748,056
CHANGE IN NET ASSETS	(3,041,116)	(1,158,993)	(4,200,109)	2,774,949	36,850	2,811,799	-	(266,167)	(1,122,143)	(1,388,310)
Net assets - beginning of year	8,977,417	2,721,745	11,699,162	(2,768,256)	-	(2,768,256)	-	6,209,161	2,721,745	8,930,906
NET ASSETS - END OF YEAR	\$ 5,936,301	\$ 1,562,752	\$ 7,499,053	\$ 6,693	\$ 36,850	\$ 43,543	\$ -	\$ 5,942,994	\$ 1,599,602	\$ 7,542,596

ACCION East, Inc.
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	ACCION	ACCION	Total	ACCION-MA	ACCION-MA	Total	Consolidating	Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions	ACCION	Without Donor Restrictions	With Donor Restrictions	ACCION-MA		Eliminations	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE:										
Contributions and grants	\$ 2,019,054	\$ 4,157,680	\$ 6,176,734	\$ -	\$ -	\$ -	\$ -	\$ 2,019,054	\$ 4,157,680	\$ 6,176,734
Special events revenue (net of direct expenses of \$27,586)	156,343	-	156,343	-	-	-	-	156,343	-	156,343
Total contributions and grant revenue	2,175,397	4,157,680	6,333,077	-	-	-	-	2,175,397	4,157,680	6,333,077
Revenue:										
Interest on loans	1,616,184	-	1,616,184	53	-	53	-	1,616,237	-	1,616,237
Program fees	690,127	-	690,127	-	-	-	-	690,127	-	690,127
Interest income	1,019	-	1,019	-	-	-	-	1,019	-	1,019
Other revenue	648,203	-	648,203	9,518	-	9,518	-	657,721	-	657,721
Total Revenue	2,955,533	-	2,955,533	9,571	-	9,571	-	2,965,104	-	2,965,104
Net assets released from restrictions	4,438,704	(4,438,704)	-	-	-	-	-	4,438,704	(4,438,704)	-
TOTAL SUPPORT AND REVENUE	9,569,634	(281,024)	9,288,610	9,571	-	9,571	-	9,579,205	(281,024)	9,298,181
EXPENSES:										
Program services:										
Lending/Development Services	5,794,182	-	5,794,182	6,816	-	6,816	-	5,800,998	-	5,800,998
Community Advantage	597,463	-	597,463	-	-	-	-	597,463	-	597,463
Total program services	6,391,645	-	6,391,645	6,816	-	6,816	-	6,398,461	-	6,398,461
Supporting services:										
Management and general	804,464	-	804,464	-	-	-	-	804,464	-	804,464
Fundraising	598,577	-	598,577	-	-	-	-	598,577	-	598,577
Total supporting services	1,403,041	-	1,403,041	-	-	-	-	1,403,041	-	1,403,041
TOTAL EXPENSES	7,794,686	-	7,794,686	6,816	-	6,816	-	7,801,502	-	7,801,502
CHANGE IN NET ASSETS	1,774,948	(281,024)	1,493,924	2,755	-	2,755	-	1,777,703	(281,024)	1,496,679
Net assets - beginning of year	7,202,469	3,002,769	10,205,238	(2,771,011)	-	(2,771,011)	-	4,431,458	3,002,769	7,434,227
NET ASSETS - END OF YEAR	\$ 8,977,417	\$ 2,721,745	\$ 11,699,162	\$ (2,768,256)	\$ -	\$ (2,768,256)	\$ -	\$ 6,209,161	\$ 2,721,745	\$ 8,930,906

ACCION East, Inc.
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	ACCION - NY							ACCION-MA					Consolidating Eliminations				ACCION East, Inc.								
	Program Services			Supporting Services				Program Services		Supporting Services			Program Services		Supporting Services		Program Services		Supporting Services						
	Lending/ Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	Lending/ Development Services	Management and General	Fundraising	Total Supporting Services	Total	Lending/ Development Services	Community Advantage	Management and General	Fundraising	Lending/ Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Total Supporting Services	Consolidated Total		
Personnel costs	\$ 3,501,613	\$ 235,376	\$ 3,736,989	\$ 570,474	\$ 426,768	\$ 997,242	\$ 4,734,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,501,613	\$ 235,376	\$ 3,736,989	\$ 570,474	\$ 426,768	\$ 997,242	\$ 4,734,231
Professional fees and marketing	328,679	149,348	478,027	346,928	61,464	408,392	886,419	-	-	-	-	-	-	-	-	-	-	-	328,679	149,348	478,027	346,928	61,464	408,392	886,419
Office and occupancy	464,304	15,813	480,117	57,593	43,598	101,191	581,308	-	-	-	-	-	-	-	-	-	-	-	464,304	15,813	480,117	57,593	43,598	101,191	581,308
Travel and conferences	158,479	5,398	163,877	19,658	14,881	34,539	198,416	-	-	-	-	-	-	-	-	-	-	-	158,479	5,398	163,877	19,658	14,881	34,539	198,416
Interest and fees	506,747	44,212	550,959	-	-	-	550,959	-	-	-	-	-	-	-	-	-	-	-	506,747	44,212	550,959	-	-	-	550,959
Depreciation and amortization	84,741	2,887	87,628	10,512	7,957	18,469	106,057	23	-	-	-	23	-	-	-	-	-	-	84,764	2,887	87,651	10,512	7,957	18,469	106,120
Loan loss provision	1,222,813	60,711	1,283,524	-	-	-	1,283,524	-	-	-	-	-	-	-	-	-	-	-	1,222,813	60,711	1,283,524	-	-	-	1,283,524
Other expenses	2,533,907	81,807	2,615,714	297,942	225,545	523,487	3,139,201	42,850	-	-	-	42,850	(2,215,022)	(76,899)	(274,928)	(208,123)	381,735	4,908	366,843	23,014	17,422	40,436	407,079		
TOTAL EXPENSES	\$ 8,801,283	\$ 595,552	\$ 9,396,835	\$ 1,303,107	\$ 780,213	\$ 2,083,320	\$ 11,480,155	\$ 42,873	\$ -	\$ -	\$ -	\$ 42,873	\$ (2,215,022)	\$ (76,899)	\$ (274,928)	\$ (208,123)	\$ 6,629,134	\$ 518,653	\$ 7,147,787	\$ 1,028,179	\$ 572,090	\$ 1,600,269	\$ 8,748,056		

ACCION East, Inc.
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	ACCION - NY							ACCION-MA					ACCION East, Inc.							
	Program Services			Supporting Services				Program Services		Supporting Services			Program Services			Supporting Services				Consolidated Total
	Lending/Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Supporting Services	Total	Lending/Development Services	Management and General	Fundraising	Supporting Services	Total	Lending/Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Supporting Services		
Personnel costs	\$ 3,277,983	\$ 319,242	\$ 3,597,225	\$ 381,858	\$ 430,362	\$ 812,220	\$ 4,409,445	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,277,983	\$ 319,242	\$ 3,597,225	\$ 381,858	\$ 430,362	\$ 812,220	\$ 4,409,445	
Professional fees and marketing	400,353	59,491	459,844	355,851	92,981	448,832	908,676	-	-	-	-	-	400,353	59,491	459,844	355,851	92,981	448,832	908,676	
Office and occupancy	384,785	37,474	422,259	44,824	50,517	95,341	517,600	-	-	-	-	-	384,785	37,474	422,259	44,824	50,517	95,341	517,600	
Travel and conferences	106,228	10,346	116,574	12,375	13,947	26,322	142,896	3,932	-	-	-	3,932	110,160	10,346	120,506	12,375	13,947	26,322	146,828	
Interest and fees	464,242	97,814	562,056	-	-	-	562,056	-	-	-	-	-	464,242	97,814	562,056	-	-	-	562,056	
Depreciation and amortization	40,071	3,902	43,973	4,668	5,261	9,929	53,902	1,391	-	-	-	1,391	41,462	3,902	45,364	4,668	5,261	9,929	55,293	
Loan loss provision	1,053,175	65,107	1,118,282	-	-	-	1,118,282	-	-	-	-	-	1,053,175	65,107	1,118,282	-	-	-	1,118,282	
Other expenses	67,345	4,087	71,432	4,888	5,509	10,397	81,829	1,493	-	-	-	1,493	68,838	4,087	72,925	4,888	5,509	10,397	83,322	
TOTAL EXPENSES	\$ 5,794,182	\$ 597,463	\$ 6,391,645	\$ 804,464	\$ 598,577	\$ 1,403,041	\$ 7,794,686	\$ 6,816	\$ -	\$ -	\$ -	\$ 6,816	\$ 5,800,998	\$ 597,463	\$ 6,398,461	\$ 804,464	\$ 598,577	\$ 1,403,041	\$ 7,801,502	