

**ASCENDUS, INC.**

**Ascendus**

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

**Years Ended December 31, 2020 and 2019**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**ASCENDUS, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**

**YEARS ENDED DECEMBER 31, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Ascendus, Inc.

We have audited the accompanying consolidated financial statements of Ascendus, Inc. ("Ascendus"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, 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 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; 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 Ascendus, Inc. as of December 31, 2020 and 2019, and the changes in their net assets and their 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 17-22) 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*

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New York, NY  
June 25, 2021

**ASCENDUS, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020 AND 2019**

| <b>ASSETS</b>                                     | <b>2020</b>          | <b>2019</b>          |
|---|----------------------|----------------------|
| Cash and cash equivalents (Notes 2C and 10)       | \$ 12,616,875        | \$ 1,453,589         |
| Restricted cash for loan funds (Notes 2C and 2D)  | 2,625,860            | 1,100,657            |
| Contributions and grants receivable (Note 2E)     | 1,118,870            | 1,448,360            |
| Interest on loans receivable (Note 2F)            | 172,472              | 439,315              |
| Loans receivable, net (Notes 2F, 2G and 4)        | 16,061,879           | 17,769,369           |
| Prepaid expenses and other assets                 | 185,489              | 213,623              |
| Property and equipment, net (Notes 2H and 5)      | 205,883              | 216,333              |
| <b>TOTAL ASSETS</b>                               | <b>\$ 32,987,328</b> | <b>\$ 22,641,246</b> |
| <br><b>LIABILITIES</b>                            |                      |                      |
| Accounts payable and accrued expenses (Note 12)   | \$ 785,222           | \$ 574,771           |
| Other liabilities                                 | 64,736               | 55,196               |
| Deferred revenue (Note 2E)                        | 1,011,015            | 1,775                |
| Loan payable (Note 7)                             | 827,552              | -                    |
| Deferred rent (Note 8)                            | 84,212               | 107,286              |
| Notes and recoverable grants payable (Note 6)     | 19,886,143           | 14,784,675           |
| Subordinated debt (Note 6)                        | 1,500,000            | 1,500,000            |
| <b>TOTAL LIABILITIES</b>                          | <b>24,158,880</b>    | <b>17,023,703</b>    |
| <br><b>COMMITMENTS AND CONTINGENCIES (Note 8)</b> |                      |                      |
| <br><b>NET ASSETS (Note 2B)</b>                   |                      |                      |
| Without donor restrictions                        | 5,336,749            | 4,929,452            |
| With donor restrictions (Note 9)                  | 3,491,699            | 688,091              |
| <b>TOTAL NET ASSETS</b>                           | <b>8,828,448</b>     | <b>5,617,543</b>     |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>           | <b>\$ 32,987,328</b> | <b>\$ 22,641,246</b> |

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

**ASCENDUS, INC.**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

|   | Year Ended December 31, 2020  |                            |                     | Year Ended December 31, 2019  |                            |                     |
|---|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
| <b>CONTRIBUTIONS AND REVENUE:</b>   |                               |                            |                     |                               |                            |                     |
| <b>Contributions:</b>   |                               |                            |                     |                               |                            |                     |
| Contributions (Note 2E)   | \$ 2,659,224                  | \$ 6,269,167               | \$ 8,928,391        | \$ 1,962,886                  | \$ 1,714,240               | \$ 3,677,126        |
| In-kind contributions (Note 2I)   | 299,445                       | -                          | 299,445             | 133,000                       | -                          | 133,000             |
| Special events revenue (net of direct expenses of \$26,782 in 2019) (Note 2K) | 80,064                        | -                          | 80,064              | 135,343                       | -                          | 135,343             |
| <b>Total Contributions</b>  | <u>3,038,733</u>              | <u>6,269,167</u>           | <u>9,307,900</u>    | <u>2,231,229</u>              | <u>1,714,240</u>           | <u>3,945,469</u>    |
| <b>Revenue:</b>   |                               |                            |                     |                               |                            |                     |
| Interest on loans (Note 2F)   | 1,637,851                     | -                          | 1,637,851           | 1,897,315                     | -                          | 1,897,315           |
| Program fees (Note 4)   | 1,014,949                     | -                          | 1,014,949           | 1,239,062                     | -                          | 1,239,062           |
| Interest income   | 16,091                        | -                          | 16,091              | 17,624                        | -                          | 17,624              |
| Other revenue (Note 2F)   | 704,739                       | -                          | 704,739             | 104,779                       | -                          | 104,779             |
| <b>Total Revenue</b>  | <u>3,373,630</u>              | <u>-</u>                   | <u>3,373,630</u>    | <u>3,258,780</u>              | <u>-</u>                   | <u>3,258,780</u>    |
| <b>Net assets released from restrictions</b> (Note 9)                         | <u>3,465,559</u>              | <u>(3,465,559)</u>         | <u>-</u>            | <u>2,625,751</u>              | <u>(2,625,751)</u>         | <u>-</u>            |
| <b>TOTAL CONTRIBUTIONS AND REVENUE</b>  | <u>9,877,922</u>              | <u>2,803,608</u>           | <u>12,681,530</u>   | <u>8,115,760</u>              | <u>(911,511)</u>           | <u>7,204,249</u>    |
| <b>EXPENSES:</b>  |                               |                            |                     |                               |                            |                     |
| Program services:   |                               |                            |                     |                               |                            |                     |
| Lending/education services  | 7,382,993                     | -                          | 7,382,993           | 6,455,844                     | -                          | 6,455,844           |
| Community advantage   | 528,571                       | -                          | 528,571             | 1,016,494                     | -                          | 1,016,494           |
| Total program services  | <u>7,911,564</u>              | <u>-</u>                   | <u>7,911,564</u>    | <u>7,472,338</u>              | <u>-</u>                   | <u>7,472,338</u>    |
| Supporting services:  |                               |                            |                     |                               |                            |                     |
| Management and general  | 841,821                       | -                          | 841,821             | 840,549                       | -                          | 840,549             |
| Fundraising   | 717,240                       | -                          | 717,240             | 816,415                       | -                          | 816,415             |
| Total supporting services   | <u>1,559,061</u>              | <u>-</u>                   | <u>1,559,061</u>    | <u>1,656,964</u>              | <u>-</u>                   | <u>1,656,964</u>    |
| <b>TOTAL EXPENSES</b>   | <u>9,470,625</u>              | <u>-</u>                   | <u>9,470,625</u>    | <u>9,129,302</u>              | <u>-</u>                   | <u>9,129,302</u>    |
| <b>CHANGE IN NET ASSETS</b>   | 407,297                       | 2,803,608                  | 3,210,905           | (1,013,542)                   | (911,511)                  | (1,925,053)         |
| <b>Net assets - beginning of year</b>   | <u>4,929,452</u>              | <u>688,091</u>             | <u>5,617,543</u>    | <u>5,942,994</u>              | <u>1,599,602</u>           | <u>7,542,596</u>    |
| <b>NET ASSETS - END OF YEAR</b>   | <u>\$ 5,336,749</u>           | <u>\$ 3,491,699</u>        | <u>\$ 8,828,448</u> | <u>\$ 4,929,452</u>           | <u>\$ 688,091</u>          | <u>\$ 5,617,543</u> |

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

**ASCENDUS, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(With Comparative Totals for 2019)**

|  | Year Ended December 31, 2020      |                        |                              |                           |                   |                                 |                     |                     |
|--|-----------------------------------|------------------------|------------------------------|---------------------------|-------------------|---------------------------------|---------------------|---------------------|
|  | Program Services                  |                        |                              | Supporting Services       |                   |                                 |                     |                     |
|  | Lending/<br>Education<br>Services | Community<br>Advantage | Total<br>Program<br>Services | Management<br>and General | Fundraising       | Total<br>Supporting<br>Services | Total<br>2020       | Total<br>2019       |
| Personnel costs (Note 11)                          | \$ 3,182,402                      | \$ 204,852             | \$ 3,387,254                 | \$ 341,853                | \$ 558,403        | \$ 900,256                      | \$ 4,287,510        | \$ 4,572,914        |
| Professional fees (Note 2I)                        | 690,405                           | 99,050                 | 789,455                      | 396,081                   | 72,123            | 468,204                         | 1,257,659           | 884,545             |
| Office and occupancy (Note 8A)                     | 336,857                           | 21,684                 | 358,541                      | 36,185                    | 59,107            | 95,292                          | 453,833             | 618,678             |
| Travel and conference                              | 18,207                            | 1,172                  | 19,379                       | 1,956                     | 3,195             | 5,151                           | 24,530              | 174,664             |
| Interest and fees (Note 6)                         | 633,056                           | 74,130                 | 707,186                      | -                         | -                 | -                               | 707,186             | 687,475             |
| Depreciation and amortization (Note 5)             | 122,286                           | 7,872                  | 130,158                      | 13,135                    | 21,457            | 34,592                          | 164,750             | 162,475             |
| Loan loss provision (Note 4)                       | 2,090,608                         | 95,180                 | 2,185,788                    | -                         | -                 | -                               | 2,185,788           | 1,668,579           |
| Other expenses                                     | 309,172                           | 24,631                 | 333,803                      | 52,611                    | 2,955             | 55,566                          | 389,369             | 386,754             |
| Subtotal before costs of direct benefits to donors | 7,382,993                         | 528,571                | 7,911,564                    | 841,821                   | 717,240           | 1,559,061                       | 9,470,625           | 9,156,084           |
| Less: costs of direct benefits to donors           | -                                 | -                      | -                            | -                         | -                 | -                               | -                   | (26,782)            |
| <b>TOTAL EXPENSES</b>                              | <b>\$ 7,382,993</b>               | <b>\$ 528,571</b>      | <b>\$ 7,911,564</b>          | <b>\$ 841,821</b>         | <b>\$ 717,240</b> | <b>\$ 1,559,061</b>             | <b>\$ 9,470,625</b> | <b>\$ 9,129,302</b> |

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

**ASCENDUS, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|  | Year Ended December 31, 2019      |                        |                              |                           |                   |                                 |                     |
|--|-----------------------------------|------------------------|------------------------------|---------------------------|-------------------|---------------------------------|---------------------|
|  | Program Services                  |                        |                              | Supporting Services       |                   |                                 |                     |
|  | Lending/<br>Education<br>Services | Community<br>Advantage | Total<br>Program<br>Services | Management<br>and General | Fundraising       | Total<br>Supporting<br>Services | Total               |
| Personnel costs (Note 11)                          | \$ 3,051,412                      | \$ 527,698             | \$ 3,579,110                 | \$ 358,525                | \$ 635,279        | \$ 993,804                      | \$ 4,572,914        |
| Professional fees (Note 2l)                        | 313,831                           | 108,424                | 422,255                      | 389,195                   | 73,095            | 462,290                         | 884,545             |
| Office and occupancy (Note 8A)                     | 435,380                           | 58,344                 | 493,724                      | 50,952                    | 74,002            | 124,954                         | 618,678             |
| Travel and conferences                             | 123,542                           | 15,666                 | 139,208                      | 14,458                    | 20,998            | 35,456                          | 174,664             |
| Interest and fees (Note 6)                         | 582,294                           | 105,181                | 687,475                      | -                         | -                 | -                               | 687,475             |
| Depreciation and amortization (Note 5)             | 114,341                           | 15,321                 | 129,662                      | 13,380                    | 19,433            | 32,813                          | 162,475             |
| Loan loss provision (Note 4)                       | 1,498,795                         | 169,784                | 1,668,579                    | -                         | -                 | -                               | 1,668,579           |
| Other expenses                                     | 336,249                           | 16,076                 | 352,325                      | 14,039                    | 20,390            | 34,429                          | 386,754             |
| Subtotal before costs of direct benefits to donors | 6,455,844                         | 1,016,494              | 7,472,338                    | 840,549                   | 843,197           | 1,683,746                       | 9,156,084           |
| Less: costs of direct benefits to donors           | -                                 | -                      | -                            | -                         | (26,782)          | (26,782)                        | (26,782)            |
| <b>TOTAL EXPENSES</b>                              | <b>\$ 6,455,844</b>               | <b>\$ 1,016,494</b>    | <b>\$ 7,472,338</b>          | <b>\$ 840,549</b>         | <b>\$ 816,415</b> | <b>\$ 1,656,964</b>             | <b>\$ 9,129,302</b> |

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



**ASCENDUS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  | <b>2020</b>          | <b>2019</b>         |
|---|----------------------|---------------------|
| Change in net assets  | \$ 3,210,905         | \$ (1,925,053)      |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |                      |                     |
| Provision for loan losses   | 2,185,788            | 1,668,579           |
| Depreciation and amortization   | 164,750              | 162,475             |
| Gain from sale of participation loans   | (140,314)            | (161,428)           |
| Loss on disposal of property and equipment  | -                    | 636                 |
| Subtotal  | 5,421,129            | (254,791)           |
| Changes in assets and liabilities:  |                      |                     |
| Contributions and grants receivable   | 329,490              | 379,208             |
| Interest on loans receivable  | 266,843              | (28,559)            |
| Prepaid expenses and other assets   | 28,134               | (51,965)            |
| Accounts payable and accrued expenses   | 210,451              | (6,593)             |
| Other liabilities   | 9,540                | (239,301)           |
| Deferred revenues and rent  | 986,166              | (14,680)            |
| <b>Net Cash Provided by (Used in) Operating Activities</b>  | <b>7,251,753</b>     | <b>(216,681)</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                      |                     |
| Disbursements under loan programs   | (14,591,275)         | (15,609,126)        |
| Collections under loan program  | 8,857,980            | 9,138,680           |
| Proceeds from loan participations   | 5,395,311            | 2,018,617           |
| Purchases of property and equipment   | (154,300)            | (33,512)            |
| <b>Net Cash Used in Investing Activities</b>  | <b>(492,284)</b>     | <b>(4,485,341)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                      |                     |
| Proceeds from notes payable and subordinated debt   | 8,050,000            | 1,411,355           |
| Repayments of notes payable   | (2,948,532)          | (816,276)           |
| Proceeds from loan payable  | 827,552              | -                   |
| <b>Net Cash Provided by Financing Activities</b>  | <b>5,929,020</b>     | <b>595,079</b>      |
| <b>NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH</b>  | <b>12,688,489</b>    | <b>(4,106,943)</b>  |
| Cash and restricted cash - beginning of year  | 2,554,246            | 6,661,189           |
| <b>CASH AND RESTRICTED CASH - END OF YEAR</b>   | <b>\$ 15,242,735</b> | <b>\$ 2,554,246</b> |
| <b>Supplementary Disclosure of Cash Flow Information:</b>   |                      |                     |
| Cash paid during the year for interest  | \$ 529,935           | \$ 408,925          |

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

**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Ascendus, Inc. (“Ascendus”), formerly Accion East, Inc. empowers low-to-moderate-income (“LMI”) business owners with access to capital and financial education. With economic opportunity, these entrepreneurs—often individuals of color and women—can build assets, better provide for their families, create employment opportunities for their neighbors, and strengthen their communities.

Since its incorporation on January 30, 1996, Ascendus has served over 22,000 small business owners by providing affordable loans totaling \$200 million. Ascendus has offices in New York, Florida and Massachusetts but lends across forty-nine states. Ascendus sells participations in its loan portfolio to a few institutions. The purpose of these sales is to manage credit concentration of the portfolio and to raise additional capital for growth. At times, loans are sold at a premium over face value and Ascendus retains the servicing of these loans, for which it charges a monthly fee.

Ascendus is a Community Development Financial Institution (“CDFI”), certified by the U.S. Department of Treasury. Ascendus has also been approved by the U.S. Small Business Administration (“SBA”) to serve as an SBA Microlender and SBA Community Advantage lender across fourteen (14) states along the East coast.

Ascendus, Inc. (a New York non-profit corporation) (“Ascendus-NY”) is the sole member of Ascendus, Inc. (a Massachusetts non-profit corporation) (“Ascendus-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 results of both entities and are referred to as “Ascendus” for the purpose of these consolidated financial statements. All intercompany transactions have been eliminated. Ascendus-MA is in the process of being dissolved and net assets were transferred to Ascendus-NY in 2020.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Ascendus’ 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. Ascendus reports grants, gifts of cash and other assets as contributions with donor restrictions 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 statements 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. The following table provides a reconciliation of cash and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows as of December 31:

|                                | 2020          | 2019         |
|--------------------------------|---------------|--------------|
| Cash and cash equivalents      | \$ 12,616,875 | \$ 1,453,589 |
| Cash restricted for loan funds | 2,625,860     | 1,100,657    |
| Total                          | \$ 15,242,735 | \$ 2,554,246 |

- D. Restricted cash consists of amounts for which the use has been restricted by lenders for specific loan programs.

**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. Contributions and grants receivable are recorded as revenue when the promise 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, 2020 and 2019, 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, 2020, \$275,000 of contributions and grants receivable are due in more than one year. As of December 31, 2019, all contributions and grants receivable were due within one year.

Conditional contributions and grants are nonexchange transactions and accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Conditional contributions and grants are recognized as revenue when barriers within the contract are overcome, and there is no right of return. As of December 31, 2020 and 2019, Ascendus received conditional grants and contracts from government agencies and foundations in the aggregate amount of \$1,011,015 and \$1,775, respectively, that are recorded as deferred revenue in the accompanying consolidated financial statements, as they will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the funding entities are not obligated to expend the funds allotted under the grants and contracts and Ascendus may be required to return the funds already remitted.

- F. Management considers a loan to be impaired when it is probable that Ascendus 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, 2020 and 2019, Ascendus’ loan loss reserve includes approximately \$313,000 and \$230,000, respectively, for the Small Business Administration 7(a) Community Advantage (“SBA CA”) Program. Ascendus is in compliance with the loan loss reserve requirements for the SBA CA Program.

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, Ascendus will provide borrowers relief through loan restructuring. A restructuring of debt constitutes a troubled debt restructuring (“TDR”) if Ascendus, 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. Ascendus 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.

Ascendus 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.

**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic. In the United States, the public health response involved partial or full shutdown of non-essential services. Unlike a TDR, which is based on borrower specific challenges, the pandemic was a systemic one and in light of the shutdown, Ascendus offered its clients complete loan repayment deferment for up to six months. In addition, the SBA made principal and interest payments on most of the SBA funded or guaranteed loans for six months. Collectively, these deferred payment relief efforts served 937 clients in 2020. As of December 31, 2020, 772 remained active out of 2,300 active loans.

Ascendus collected previously written off loan receivables of approximately \$110,000 and \$42,000 during 2020 and 2019, respectively, which are recognized 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. Ascendus both receives and makes loans with stated rates of interest that vary from the prevailing market rates for commercial loans. However, Ascendus considers its market to be the CDFI industry as opposed to the financial institutions industry in general. Consequently, Ascendus believes there is no material difference between community development finance market rates and the stated rates of loans in their portfolios. Ascendus 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. Ascendus 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 or amortization 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, Ascendus 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. Ascendus received contributed legal services that are valued at the standard market rates that would have been incurred by Ascendus 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. Ascendus received contributed services of approximately \$299,000 and \$133,000 during 2020 and 2019, respectively.
- J. The costs of providing Ascendus’ 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. Ascendus conducts special events 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.

**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- L. The preparation of consolidated 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 reporting period. Actual results could differ from those estimates.
- M. Certain line items in the December 31, 2019 consolidated financial statements have been reclassified to conform to the December 31, 2020 presentation. Such reclassifications had no effect on net assets previously reported.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

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. On a weekly basis, management reviews its cashflow trends and forecasts upcoming cash needs in order to determine when and if Ascendus' lines of credit will be drawn or repaid, or if lending or vendor payments must be constricted.

As of December 31, 2020, Ascendus had working capital of approximately \$18.3 million, including \$3.3 million of undrawn revolvers, and a current ratio of 4.2x. At 2020 year end, cash and cash equivalents of approximately \$12.6 million represented 15 months of cash on hand based on the 2021 budget, inclusive of operating expenses, lending and borrowing forecasts, but excluding depreciation and provision expenses. Ascendus additionally had net short-term loans receivables of approximately \$6.9 million.

As of December 31, 2020 and 2019, the following table shows the total financial assets held and the amounts of those financial assets that could readily be made available within one year of the consolidated statements of financial position date to meet general expenditures:

|   | <u>2020</u>              | <u>2019</u>              |
|---|--------------------------|--------------------------|
| Cash and cash equivalents   | \$ 12,616,875            | \$ 1,453,589             |
| Contributions and grants receivable                                       | 1,118,870                | 1,448,360                |
| Interest on loans receivable  | 172,472                  | 439,315                  |
| Loans receivable, net   | <u>16,061,879</u>        | <u>17,769,369</u>        |
| <br>Total financial assets at year-end                                    | <br>29,970,096           | <br>21,110,633           |
| <br>Less: Contributions and grants receivable due in over one year        | <br>(275,000)            | <br>-                    |
| Less: Net loans receivable due in over one year                           | <u>(9,207,750)</u>       | <u>(9,156,716)</u>       |
| <br>Total financial assets at year-end available for general expenditures | <br><u>\$ 20,487,346</u> | <br><u>\$ 11,953,917</u> |

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Ascendus considers all expenditures related to its ongoing activities of programs, as well as the conduct of services undertaken to support those activities, to be general expenditures. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs.

**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 4 – LOANS RECEIVABLE, NET**

Loans receivable consists of microloans (up to \$50,000), SBA Paycheck Protection Program (“PPP”) loans and SBA CA loans (over \$50,000 to \$250,000). Loans receivable as of December 31, 2020 and 2019, include the following:

|   | <u>December 31, 2020</u> |                      |                     |                      |
|---|--------------------------|----------------------|---------------------|----------------------|
|   | <u>Microloans</u>        | <u>SBA PPP Loans</u> | <u>SBA CA Loans</u> | <u>Total</u>         |
| Total portfolio managed                       | \$ 15,651,279            | \$ 4,737,378         | \$ 6,951,898        | \$ 27,340,555        |
| Less: Participation loans sold <sup>(1)</sup> | <u>(4,059,402)</u>       | <u>-</u>             | <u>(4,882,132)</u>  | <u>(8,941,534)</u>   |
| Total loans receivable                        | 11,591,877               | 4,737,378            | 2,069,766           | 18,399,021           |
| Less: allowance for uncollectible loans       | <u>(2,024,224)</u>       | <u>-</u>             | <u>(312,918)</u>    | <u>(2,337,142)</u>   |
| Loans receivable, net                         | <u>\$ 9,567,653</u>      | <u>\$ 4,737,378</u>  | <u>\$ 1,756,848</u> | <u>\$ 16,061,879</u> |

|   | <u>December 31, 2019</u> |                     |                      |
|---|--------------------------|---------------------|----------------------|
|   | <u>Microloans</u>        | <u>SBA CA Loans</u> | <u>Total</u>         |
| Total portfolio managed                       | \$ 17,266,074            | \$ 7,480,717        | \$ 24,746,791        |
| Less: Participation loans sold <sup>(1)</sup> | <u>-</u>                 | <u>(5,348,271)</u>  | <u>(5,348,271)</u>   |
| Total loans receivable                        | 17,266,074               | 2,132,446           | 19,398,520           |
| Less: allowance for uncollectible loans       | <u>(1,398,657)</u>       | <u>(230,494)</u>    | <u>(1,629,151)</u>   |
| Loans receivable, net                         | <u>\$ 15,867,417</u>     | <u>\$ 1,901,952</u> | <u>\$ 17,769,369</u> |

(1) Represents the balance outstanding of loan participations owned by third parties. In 2020, Ascendus sold participations in 221 loans for a total of \$5.4 million. In 2019, Ascendus sold participations in 20 loans for a total of \$2.0 million. Ascendus recorded the participating interests as offset to loans receivable under the provisions of FASB Accounting Standards Codification (“ASC”) Topic 860, *Transfers and Servicing*.

An aged analysis of loans segregated by loan program as of December 31, 2020 follows:

|                  | <u>30 – 90 Days</u> | <u>Over 90 Days</u> | <u>Total Past Due</u> | <u>Current</u>       | <u>Total</u>         |
|------------------|---------------------|---------------------|-----------------------|----------------------|----------------------|
| Microloans       | \$ 450,256          | \$ 165,835          | \$ 616,091            | \$ 10,975,786        | \$ 11,591,877        |
| SBA PPP loans    | -                   | -                   | -                     | 4,737,378            | 4,737,378            |
| SBA CA loans     | <u>215,216</u>      | <u>506,793</u>      | <u>722,009</u>        | <u>1,347,757</u>     | <u>2,069,766</u>     |
| Loans receivable | <u>\$ 665,472</u>   | <u>\$ 672,628</u>   | <u>\$ 1,338,100</u>   | <u>\$ 17,060,921</u> | <u>\$ 18,399,021</u> |

An aged analysis of loans segregated by loan program as of December 31, 2019 follows:

|                  | <u>30 – 90 Days</u> | <u>Over 90 Days</u> | <u>Total Past Due</u> | <u>Current</u>       | <u>Total</u>         |
|------------------|---------------------|---------------------|-----------------------|----------------------|----------------------|
| Microloans       | \$ 399,918          | \$ 163,573          | \$ 563,491            | \$ 16,702,583        | \$ 17,266,074        |
| SBA CA loans     | <u>-</u>            | <u>46,142</u>       | <u>46,142</u>         | <u>2,086,304</u>     | <u>2,132,446</u>     |
| Loans receivable | <u>\$ 399,918</u>   | <u>\$ 209,715</u>   | <u>\$ 609,633</u>     | <u>\$ 18,788,887</u> | <u>\$ 19,398,520</u> |

**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 4 – LOANS RECEIVABLE, NET (Continued)**

The loans receivable include restructured loans as of December 31 as follows:

|  | <u>2020</u>      | <u>2019</u>      |
|--|------------------|------------------|
| Restructured loans receivable          | \$ 85,139        | \$ 173,832       |
| Less allowance for uncollectible loans | <u>(13,534)</u>  | <u>(87,751)</u>  |
|  | <u>\$ 71,605</u> | <u>\$ 86,081</u> |

An analysis of the loan loss allowance for the years ended December 31 follows:

|                           | <u>2020</u>         | <u>2019</u>         |
|---------------------------|---------------------|---------------------|
| Balance beginning of year | \$ 1,629,151        | \$ 1,312,243        |
| Provision for loan losses | 2,185,788           | 1,668,579           |
| Loans written-off         | <u>(1,477,797)</u>  | <u>(1,351,671)</u>  |
|                           | <u>\$ 2,337,142</u> | <u>\$ 1,629,151</u> |

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

|                        | <u>2020</u>          | <u>2019</u>          |
|------------------------|----------------------|----------------------|
| Due less than one year | \$ 6,854,129         | \$ 8,612,653         |
| Due over one year      | <u>9,207,750</u>     | <u>9,156,716</u>     |
|                        | <u>\$ 16,061,879</u> | <u>\$ 17,769,369</u> |

The SBA allows the sale of the guaranteed portion of the CA loan on the secondary market. During 2020 and 2019, Ascendus realized a gain on the sale of the participated interest of \$140,314 and \$161,428, respectively, which are included in program fees in the accompanying consolidated statements of activities.

**NOTE 5 – PROPERTY AND EQUIPMENT, NET**

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

|   | <u>2020</u>       | <u>2019</u>       | <u>Estimated<br/>Useful Lives</u> |
|---|-------------------|-------------------|-----------------------------------|
| Leasehold improvements                          | \$ 31,385         | \$ 31,385         | 5 - 10 years                      |
| Capitalized hardware and software               | 923,662           | 769,362           | 3 - 5 years                       |
| Furniture, fixtures and equipment               | <u>175,266</u>    | <u>175,266</u>    | 3 - 5 years                       |
| Total cost                                      | 1,130,313         | 976,013           |                                   |
| Less: accumulated depreciation and amortization | <u>(924,430)</u>  | <u>(759,680)</u>  |                                   |
| Net book value                                  | <u>\$ 205,883</u> | <u>\$ 216,333</u> |                                   |

Depreciation and amortization expense amounted to \$164,750 and \$162,475 for the years ended December 31, 2020 and 2019, respectively. During the year ended December 31, 2019, equipment with a cost of \$16,624 and accumulated depreciation of \$15,988 was written off.

**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 6 – NOTES PAYABLE AND SUBORDINATED DEBT**

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

|  | 2020          | 2019          |
|--|---------------|---------------|
| <u>Notes payable – secured</u>   |               |               |
| Secured borrowing with SBA, secured by program-funded loans, bearing fixed annual interest rates ranging from 0% to 1.63% and ten-year maturities  | \$ 3,930,874  | \$ 3,088,869  |
| <u>Notes payable – unsecured</u>   |               |               |
| Maturity terms range from one to six years, bearing fixed annual interest rates from 0.25% to 4.5%   | 15,955,269    | 11,695,806    |
|  | 19,886,143    | 14,784,675    |
| <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 designed by lenders to increase available funding and investments to economically disadvantaged communities. EQ2 loans are subordinated to Ascendus' other lenders, have ten-year maturities with fixed annual interest rates of 2.0% to 3.0%. | 1,500,000     | 1,500,000     |
| Total notes payable and subordinated debt  | \$ 21,386,143 | \$ 16,284,675 |

Future annual principal payments due are as follows:

| Years ending on December 31: | Amount        |
|------------------------------|---------------|
| 2021                         | \$ 3,090,318  |
| 2022                         | 7,093,694     |
| 2023                         | 6,185,922     |
| 2024                         | 1,015,688     |
| 2025                         | 703,303       |
| Thereafter                   | 3,297,218     |
| Total                        | \$ 21,386,143 |

Included in future annual principal payments are \$5.9 million that were specifically used to fund the SBA PPP loans, which are 100% guaranteed by the SBA and expected to be fully forgiven. Of this \$5.9 million total, \$3 million is scheduled to be repaid in 2023 and \$2.9 million is scheduled to be repaid across 2021 to 2024.

Interest expense was \$529,935 and \$408,925 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 7 – LOAN PAYABLE**

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the PPP. Participating in the PPP enables the business to obtain a loan from the SBA sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

Ascendus applied for this loan through an SBA authorized lender. The loan, amounting to \$827,552, was approved and received in April 2020. Ascendus has opted to account for the proceeds as a loan under FASB ASC Topic 470, *Debt*, until the loan is, in part or wholly, forgiven and Ascendus has been “legally released.”



**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

A. Ascendus leased space in New York, Boston, Orlando and Miami during the year ended December 31, 2020. The leases range in maturity from month-to-month to the year 2023 and include rent increases, which are amortized on a straight-line basis. Deferred rent amounted to \$84,212 and \$107,286 as of December 31, 2020 and 2019, 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, 2020 is approximately \$28,000.

Future minimum lease payments are due as follows for the years ending after December 31, 2020:

|      |                   |
|------|-------------------|
| 2021 | \$ 279,796        |
| 2022 | 280,296           |
| 2023 | <u>161,991</u>    |
|      | <u>\$ 722,083</u> |

Rent expense of \$288,743 and \$347,359 was included in office and occupancy expenses in the accompanying consolidated statements of functional expenses for the years ended December 31, 2020 and 2019, respectively.

B. Ascendus believes it has no uncertain tax positions as of December 31, 2020 and 2019 in accordance with ASC Topic 740, Income Taxes, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

C. Ascendus has 5 revolving lines of credit with various banks in the amounts of \$4.4 million, \$2 million, \$3 million, \$3 million and \$500,000, respectively, that totaled \$12.9 million. The interest rates on the lines as of December 31, 2020 range from 3% to 4%. As of December 31, 2020, there were \$9,214,911 total borrowings under these lines of credit and are included in notes and recoverable grants payable on the accompanying consolidated statements of financial position. The maturity dates of the agreements range from 2021 to 2027. As of June 25, 2021, there were \$8,871,819 borrowings under the lines of credit.

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

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

|   | <u>2020</u>         | <u>2019</u>       |
|---|---------------------|-------------------|
| Program Support:  |                     |                   |
| Microlending and Financial Education                                    | \$ 1,714,828        | \$ 688,091        |
| Lending Capital:  |                     |                   |
| Revolving grant funds that enable greater lending innovation for impact | <u>1,776,871</u>    | <u>-</u>          |
| Total   | <u>\$ 3,491,699</u> | <u>\$ 688,091</u> |

Net assets with donor restrictions of \$3,465,559 and \$2,625,751 for the years ended December 31, 2020 and 2019, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors or the passage of time.

**NOTE 10 – CONCENTRATION**

Cash and cash equivalents that potentially subject Ascendus 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, 2020 and 2019, there were approximately \$14,644,000 and \$1,866,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits.

**ASCENDUS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 11 – RETIREMENT PLAN**

Ascendus participates in a retirement savings plan covering all employees who meet the minimum service requirements. Ascendus has the option to match employee contributions and/or make discretionary contributions to employees' retirement plan. Ascendus did not make any contributions for each of the years ended December 31, 2020 and 2019.

**NOTE 12 – RELATED-PARTY TRANSACTIONS**

Effective December 31, 2008, Ascendus entered into a shared services agreement with ACCION International for the use of shared office space and equipment, administrative support and information technology support. For the years ended December 31, 2020 and 2019, amounts paid to ACCION International were \$0 and \$61,237, respectively. Approximately \$20,400 and \$15,000 were due to ACCION International at December 31, 2020 and 2019, respectively, relating to this shared services agreement. On April 1, 2020, Ascendus terminated the shared services agreement.

Ascendus entered into a trademark sublicense agreement with Accion Opportunity Fund, Inc. (fka ACCION, The U.S. Network and hereafter "AOF") that was effective December 31, 2011 and had an initial three-year term, with automatic renewals every three years. The agreement provided for the legal use of the "ACCION" brand by Ascendus. In addition, Ascendus entered into a membership dues agreement with AOF that set forth the membership fee owed to AOF and the minimum performance standards required for membership. In connection with these agreements, Ascendus paid \$15,000 to AOF for the year ended December 31, 2019. On March 6, 2020, a notification of termination of the trademark sublicense agreement was provided by Accion International and AOF and the agreement was terminated on November 13, 2020.

Ascendus entered into a Managed Service Provider ("MSP") agreement with AOF in 2018, allowing Ascendus to use AOF's technology platform, and for which AOF provided ongoing support. Ascendus paid \$6,342 and \$191,900 under the MSP agreement and for related costs in 2020 and 2019, respectively, to AOF. The MSP agreement expired on January 24, 2020. In anticipation of the expiration of the MSP agreement, Ascendus and AOF entered into an IP Transfer agreement that conferred and transferred full rights to the jointly developed technology platform and the transfer of all of Ascendus' data warehoused by AOF on November 21, 2019.

In addition, Ascendus reimbursed AOF for certain consultant costs relating to the buildout of the technology platform. Ascendus paid \$14,573 to AOF in 2019 to cover these costs.

**NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through June 25, 2021, the date the consolidated financial statements were available to be issued.

In order to secure the liquidity needed to participate in the third round of the SBA Paycheck Protection Program (PPP), Ascendus pursued a capital raising campaign using a two-pronged approach to capital raising. The first prong was applying to the Cleveland Federal Reserve Bank on January 14, 2021 for the Paycheck Protection Program Liquidity Fund (PPPLF), a liquidity facility offered to non-depository institutions (such as CDFIs) using PPP loans originated as pledged collateral. This liquidity facility bears a fixed annual rate of interest of 0.37% and repayment is matched to the repayment terms and timing of the underlying PPP loans. Prior to pursuing this program, Ascendus obtained written consent from its existing creditors. As of June 25, 2021, Ascendus has drawn approximately \$21.2 million under this program.

The second approach was to raise capital with private sector bank partners. On February 23, 2021, Ascendus closed and funded a \$1 million short term line of credit with DIME Community Bank that matures on April 1, 2022 and bears a fixed annual rate of interest of 1.0%. On April 30, 2021, Ascendus closed and funded a \$1 million short term line of credit with Investors Bank that matures on May 1, 2022 and bears a fixed annual rate of interest of 2.5%.

On March 17, 2021, Ascendus renewed its existing line of credit with TD Bank for a seventeen (17) month period with a new maturity of August 17, 2022 and the same fixed rate of 3.85%.

**ASCENDUS, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020**

|   | <u>Ascendus-NY</u>   | <u>Ascendus-MA</u> | <u>Total</u>         | <u>Consolidating<br/>Eliminations</u> | <u>Consolidated<br/>Total</u> |
|---|----------------------|--------------------|----------------------|---------------------------------------|-------------------------------|
| <b>ASSETS</b>                           |                      |                    |                      |                                       |                               |
| Cash and cash equivalents               | \$ 12,616,875        | \$ -               | \$ 12,616,875        | \$ -                                  | \$ 12,616,875                 |
| Restricted cash for loan funds          | 2,625,860            | -                  | 2,625,860            | -                                     | 2,625,860                     |
| Contributions and grants receivable     | 1,118,870            | -                  | 1,118,870            | -                                     | 1,118,870                     |
| Interest on loans receivable            | 172,472              | -                  | 172,472              | -                                     | 172,472                       |
| Loans receivable, net                   | 16,061,879           | -                  | 16,061,879           | -                                     | 16,061,879                    |
| Prepaid expenses and other assets       | 185,489              | -                  | 185,489              | -                                     | 185,489                       |
| Property and equipment, net             | 205,883              | -                  | 205,883              | -                                     | 205,883                       |
| <b>TOTAL ASSETS</b>                     | <u>\$ 32,987,328</u> | <u>\$ -</u>        | <u>\$ 32,987,328</u> | <u>\$ -</u>                           | <u>\$ 32,987,328</u>          |
| <b>LIABILITIES</b>                      |                      |                    |                      |                                       |                               |
| Accounts payable and accrued expenses   | \$ 785,222           | \$ -               | \$ 785,222           | \$ -                                  | \$ 785,222                    |
| Other liabilities                       | 64,736               | -                  | 64,736               | -                                     | 64,736                        |
| Deferred revenue                        | 1,011,015            | -                  | 1,011,015            | -                                     | 1,011,015                     |
| Loan payable                            | 827,552              | -                  | 827,552              | -                                     | 827,552                       |
| Deferred rent                           | 84,212               | -                  | 84,212               | -                                     | 84,212                        |
| Notes and recoverable grants payable    | 19,886,143           | -                  | 19,886,143           | -                                     | 19,886,143                    |
| Subordinated debt                       | 1,500,000            | -                  | 1,500,000            | -                                     | 1,500,000                     |
| <b>TOTAL LIABILITIES</b>                | <u>24,158,880</u>    | <u>-</u>           | <u>24,158,880</u>    | <u>-</u>                              | <u>24,158,880</u>             |
| <b>NET ASSETS</b>                       |                      |                    |                      |                                       |                               |
| Without donor restrictions              | 5,336,749            | -                  | 5,336,749            | -                                     | 5,336,749                     |
| With donor restrictions                 | 3,491,699            | -                  | 3,491,699            | -                                     | 3,491,699                     |
| <b>TOTAL NET ASSETS</b>                 | <u>8,828,448</u>     | <u>-</u>           | <u>8,828,448</u>     | <u>-</u>                              | <u>8,828,448</u>              |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <u>\$ 32,987,328</u> | <u>\$ -</u>        | <u>\$ 32,987,328</u> | <u>\$ -</u>                           | <u>\$ 32,987,328</u>          |

**ASCENDUS, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019**

|   | <u>Ascendus-NY</u>   | <u>Ascendus-MA</u> | <u>Total</u>         | <u>Consolidating<br/>Eliminations</u> | <u>Consolidated<br/>Total</u> |
|---|----------------------|--------------------|----------------------|---------------------------------------|-------------------------------|
| <b>ASSETS</b>                                     |                      |                    |                      |                                       |                               |
| Cash and cash equivalents                         | \$ 1,453,589         | \$ -               | \$ 1,453,589         | \$ -                                  | \$ 1,453,589                  |
| Restricted cash for loan funds                    | 1,100,657            | -                  | 1,100,657            | -                                     | 1,100,657                     |
| Contributions and grants receivable               | 1,448,360            | -                  | 1,448,360            | -                                     | 1,448,360                     |
| Interest on loans receivable                      | 439,315              | -                  | 439,315              | -                                     | 439,315                       |
| Loans receivable, net                             | 17,769,369           | -                  | 17,769,369           | -                                     | 17,769,369                    |
| Prepaid expenses and other assets                 | 211,605              | 2,018              | 213,623              | -                                     | 213,623                       |
| Property and equipment, net                       | 216,333              | -                  | 216,333              | -                                     | 216,333                       |
| <b>TOTAL ASSETS</b>                               | <u>\$ 22,639,228</u> | <u>\$ 2,018</u>    | <u>\$ 22,641,246</u> | <u>\$ -</u>                           | <u>\$ 22,641,246</u>          |
| <b>LIABILITIES</b>                                |                      |                    |                      |                                       |                               |
| Accounts payable and accrued expenses             | \$ 574,771           | \$ -               | \$ 574,771           | \$ -                                  | \$ 574,771                    |
| Other liabilities                                 | 45,225               | 9,971              | 55,196               | -                                     | 55,196                        |
| Deferred rent                                     | 107,286              | -                  | 107,286              | -                                     | 107,286                       |
| Deferred revenue                                  | 1,775                | -                  | 1,775                | -                                     | 1,775                         |
| Notes and recoverable grants payable              | 14,784,675           | -                  | 14,784,675           | -                                     | 14,784,675                    |
| Subordinated debt                                 | 1,500,000            | -                  | 1,500,000            | -                                     | 1,500,000                     |
| <b>TOTAL LIABILITIES</b>                          | <u>17,013,732</u>    | <u>9,971</u>       | <u>17,023,703</u>    | <u>-</u>                              | <u>17,023,703</u>             |
| <b>NET ASSETS (DEFICIT)</b>                       |                      |                    |                      |                                       |                               |
| Without donor restrictions                        | 4,937,405            | (7,953)            | 4,929,452            | -                                     | 4,929,452                     |
| With donor restrictions                           | 688,091              | -                  | 688,091              | -                                     | 688,091                       |
| <b>TOTAL NET ASSETS (DEFICIT)</b>                 | <u>5,625,496</u>     | <u>(7,953)</u>     | <u>5,617,543</u>     | <u>-</u>                              | <u>5,617,543</u>              |
| <b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b> | <u>\$ 22,639,228</u> | <u>\$ 2,018</u>    | <u>\$ 22,641,246</u> | <u>\$ -</u>                           | <u>\$ 22,641,246</u>          |

ASCENDUS, INC.  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

|  | Ascendus-NY                   |                            | Total<br>Ascendus-NY | Ascendus-MA                   |                      | Consolidating<br>Eliminations | Consolidated Total            |                            |                     |
|--|-------------------------------|----------------------------|----------------------|-------------------------------|----------------------|-------------------------------|-------------------------------|----------------------------|---------------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions |                      | Without Donor<br>Restrictions | Total<br>Ascendus-MA |                               | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
| <b>CONTRIBUTIONS AND REVENUE:</b>            |                               |                            |                      |                               |                      |                               |                               |                            |                     |
| <b>Contributions:</b>                        |                               |                            |                      |                               |                      |                               |                               |                            |                     |
| Contributions                                | \$ 2,659,224                  | \$ 6,269,167               | \$ 8,928,391         | \$ -                          | \$ -                 | \$ -                          | \$ 2,659,224                  | \$ 6,269,167               | \$ 8,928,391        |
| In-kind contributions                        | 299,445                       | -                          | 299,445              | -                             | -                    | -                             | 299,445                       | -                          | 299,445             |
| Special events revenue                       | 80,064                        | -                          | 80,064               | -                             | -                    | -                             | 80,064                        | -                          | 80,064              |
| <b>Total contributions</b>                   | <b>3,038,733</b>              | <b>6,269,167</b>           | <b>9,307,900</b>     | <b>-</b>                      | <b>-</b>             | <b>-</b>                      | <b>3,038,733</b>              | <b>6,269,167</b>           | <b>9,307,900</b>    |
| <b>Revenue:</b>                              |                               |                            |                      |                               |                      |                               |                               |                            |                     |
| Interest on loans                            | 1,637,851                     | -                          | 1,637,851            | -                             | -                    | -                             | 1,637,851                     | -                          | 1,637,851           |
| Program fees                                 | 1,014,949                     | -                          | 1,014,949            | -                             | -                    | -                             | 1,014,949                     | -                          | 1,014,949           |
| Interest income                              | 16,091                        | -                          | 16,091               | -                             | -                    | -                             | 16,091                        | -                          | 16,091              |
| Other revenue                                | 704,739                       | -                          | 704,739              | -                             | -                    | -                             | 704,739                       | -                          | 704,739             |
| <b>Total Revenue</b>                         | <b>3,373,630</b>              | <b>-</b>                   | <b>3,373,630</b>     | <b>-</b>                      | <b>-</b>             | <b>-</b>                      | <b>3,373,630</b>              | <b>-</b>                   | <b>3,373,630</b>    |
| <b>Net assets released from restrictions</b> | <b>3,465,559</b>              | <b>(3,465,559)</b>         | <b>-</b>             | <b>-</b>                      | <b>-</b>             | <b>-</b>                      | <b>3,465,559</b>              | <b>(3,465,559)</b>         | <b>-</b>            |
| <b>TOTAL CONTRIBUTIONS AND REVENUE</b>       | <b>9,877,922</b>              | <b>2,803,608</b>           | <b>12,681,530</b>    | <b>-</b>                      | <b>-</b>             | <b>-</b>                      | <b>9,877,922</b>              | <b>2,803,608</b>           | <b>12,681,530</b>   |
| <b>EXPENSES:</b>                             |                               |                            |                      |                               |                      |                               |                               |                            |                     |
| <b>Program services:</b>                     |                               |                            |                      |                               |                      |                               |                               |                            |                     |
| Lending/education services                   | 7,382,993                     | -                          | 7,382,993            | -                             | -                    | -                             | 7,382,993                     | -                          | 7,382,993           |
| Community advantage                          | 528,571                       | -                          | 528,571              | -                             | -                    | -                             | 528,571                       | -                          | 528,571             |
| Total program services                       | 7,911,564                     | -                          | 7,911,564            | -                             | -                    | -                             | 7,911,564                     | -                          | 7,911,564           |
| <b>Supporting services:</b>                  |                               |                            |                      |                               |                      |                               |                               |                            |                     |
| Management and general                       | 841,821                       | -                          | 841,821              | -                             | -                    | -                             | 841,821                       | -                          | 841,821             |
| Fundraising                                  | 717,240                       | -                          | 717,240              | -                             | -                    | -                             | 717,240                       | -                          | 717,240             |
| Total supporting services                    | 1,559,061                     | -                          | 1,559,061            | -                             | -                    | -                             | 1,559,061                     | -                          | 1,559,061           |
| <b>TOTAL EXPENSES</b>                        | <b>9,470,625</b>              | <b>-</b>                   | <b>9,470,625</b>     | <b>-</b>                      | <b>-</b>             | <b>-</b>                      | <b>9,470,625</b>              | <b>-</b>                   | <b>9,470,625</b>    |
| <b>CHANGE IN NET ASSETS</b>                  | <b>407,297</b>                | <b>2,803,608</b>           | <b>3,210,905</b>     | <b>-</b>                      | <b>-</b>             | <b>-</b>                      | <b>407,297</b>                | <b>2,803,608</b>           | <b>3,210,905</b>    |
| <b>Net assets - beginning of year</b>        | <b>4,937,405</b>              | <b>688,091</b>             | <b>5,625,496</b>     | <b>(7,953)</b>                | <b>(7,953)</b>       | <b>-</b>                      | <b>4,929,452</b>              | <b>688,091</b>             | <b>5,617,543</b>    |
| <b>Transfer of net assets</b>                | <b>(7,953)</b>                | <b>-</b>                   | <b>(7,953)</b>       | <b>7,953</b>                  | <b>7,953</b>         | <b>-</b>                      | <b>-</b>                      | <b>-</b>                   | <b>-</b>            |
| <b>NET ASSETS - END OF YEAR</b>              | <b>\$ 5,336,749</b>           | <b>\$ 3,491,699</b>        | <b>\$ 8,828,448</b>  | <b>\$ -</b>                   | <b>\$ -</b>          | <b>\$ -</b>                   | <b>\$ 5,336,749</b>           | <b>\$ 3,491,699</b>        | <b>\$ 8,828,448</b> |

ASCENDUS, INC.  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

|   | Ascendus-NY                   |                            | Total<br>Ascendus-NY | Ascendus-MA                   |                            | Total<br>Ascendus-MA | Consolidating<br>Eliminations | Consolidated Total            |                            |                     |
|---|-------------------------------|----------------------------|----------------------|-------------------------------|----------------------------|----------------------|-------------------------------|-------------------------------|----------------------------|---------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions |                      | Without Donor<br>Restrictions | With Donor<br>Restrictions |                      |                               | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
| <b>CONTRIBUTIONS AND REVENUE:</b>                           |                               |                            |                      |                               |                            |                      |                               |                               |                            |                     |
| <b>Contributions:</b>                                       |                               |                            |                      |                               |                            |                      |                               |                               |                            |                     |
| Contributions   | \$ 1,962,886                  | \$ 1,714,240               | \$ 3,677,126         | \$ -                          | \$ -                       | \$ -                 | \$ -                          | \$ 1,962,886                  | \$ 1,714,240               | \$ 3,677,126        |
| In-kind contributions                                       | 133,000                       | -                          | 133,000              | -                             | -                          | -                    | -                             | 133,000                       | -                          | 133,000             |
| Special events revenue (net of direct expenses of \$26,785) | 135,343                       | -                          | 135,343              | -                             | -                          | -                    | -                             | 135,343                       | -                          | 135,343             |
| <b>Total contributions</b>                                  | <b>2,231,229</b>              | <b>1,714,240</b>           | <b>3,945,469</b>     | <b>-</b>                      | <b>-</b>                   | <b>-</b>             | <b>-</b>                      | <b>2,231,229</b>              | <b>1,714,240</b>           | <b>3,945,469</b>    |
| <b>Revenue:</b>   |                               |                            |                      |                               |                            |                      |                               |                               |                            |                     |
| Interest on loans   | 1,897,315                     | -                          | 1,897,315            | -                             | -                          | -                    | -                             | 1,897,315                     | -                          | 1,897,315           |
| Program fees  | 1,239,062                     | -                          | 1,239,062            | -                             | -                          | -                    | -                             | 1,239,062                     | -                          | 1,239,062           |
| Interest income   | 17,624                        | -                          | 17,624               | -                             | -                          | -                    | -                             | 17,624                        | -                          | 17,624              |
| Other revenue   | 104,779                       | -                          | 104,779              | -                             | -                          | -                    | -                             | 104,779                       | -                          | 104,779             |
| <b>Total Revenue</b>  | <b>3,258,780</b>              | <b>-</b>                   | <b>3,258,780</b>     | <b>-</b>                      | <b>-</b>                   | <b>-</b>             | <b>-</b>                      | <b>3,258,780</b>              | <b>-</b>                   | <b>3,258,780</b>    |
| <b>Net assets released from restrictions</b>                | <b>2,588,901</b>              | <b>(2,588,901)</b>         | <b>-</b>             | <b>36,850</b>                 | <b>(36,850)</b>            | <b>-</b>             | <b>-</b>                      | <b>2,625,751</b>              | <b>(2,625,751)</b>         | <b>-</b>            |
| <b>TOTAL CONTRIBUTIONS AND REVENUE</b>                      | <b>8,078,910</b>              | <b>(874,661)</b>           | <b>7,204,249</b>     | <b>36,850</b>                 | <b>(36,850)</b>            | <b>-</b>             | <b>-</b>                      | <b>8,115,760</b>              | <b>(911,511)</b>           | <b>7,204,249</b>    |
| <b>EXPENSES:</b>  |                               |                            |                      |                               |                            |                      |                               |                               |                            |                     |
| Program services:   |                               |                            |                      |                               |                            |                      |                               |                               |                            |                     |
| Lending/education services                                  | 6,404,348                     | -                          | 6,404,348            | 51,496                        | -                          | 51,496               | -                             | 6,455,844                     | -                          | 6,455,844           |
| Community advantage   | 1,016,494                     | -                          | 1,016,494            | -                             | -                          | -                    | -                             | 1,016,494                     | -                          | 1,016,494           |
| Total program services                                      | 7,420,842                     | -                          | 7,420,842            | 51,496                        | -                          | 51,496               | -                             | 7,472,338                     | -                          | 7,472,338           |
| Supporting services:  |                               |                            |                      |                               |                            |                      |                               |                               |                            |                     |
| Management and general                                      | 840,549                       | -                          | 840,549              | -                             | -                          | -                    | -                             | 840,549                       | -                          | 840,549             |
| Fundraising   | 816,415                       | -                          | 816,415              | -                             | -                          | -                    | -                             | 816,415                       | -                          | 816,415             |
| Total supporting services                                   | 1,656,964                     | -                          | 1,656,964            | -                             | -                          | -                    | -                             | 1,656,964                     | -                          | 1,656,964           |
| <b>TOTAL EXPENSES</b>                                       | <b>9,077,806</b>              | <b>-</b>                   | <b>9,077,806</b>     | <b>51,496</b>                 | <b>-</b>                   | <b>51,496</b>        | <b>-</b>                      | <b>9,129,302</b>              | <b>-</b>                   | <b>9,129,302</b>    |
| <b>CHANGE IN NET ASSETS</b>                                 | <b>(998,896)</b>              | <b>(874,661)</b>           | <b>(1,873,557)</b>   | <b>(14,646)</b>               | <b>(36,850)</b>            | <b>(51,496)</b>      | <b>-</b>                      | <b>(1,013,542)</b>            | <b>(911,511)</b>           | <b>(1,925,053)</b>  |
| <b>Net assets - beginning of year</b>                       | <b>5,936,301</b>              | <b>1,562,752</b>           | <b>7,499,053</b>     | <b>6,693</b>                  | <b>36,850</b>              | <b>43,543</b>        | <b>-</b>                      | <b>5,942,994</b>              | <b>1,599,602</b>           | <b>7,542,596</b>    |
| <b>NET ASSETS (DEFICIT) - END OF YEAR</b>                   | <b>\$ 4,937,405</b>           | <b>\$ 688,091</b>          | <b>\$ 5,625,496</b>  | <b>\$ (7,953)</b>             | <b>\$ -</b>                | <b>\$ (7,953)</b>    | <b>\$ -</b>                   | <b>\$ 4,929,452</b>           | <b>\$ 688,091</b>          | <b>\$ 5,617,543</b> |

ASCENDUS, INC.  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

|                               | Ascendus - NY                     |                        |                              |                           |                   |                                 |                     | Ascendus, Inc.                    |                        |                              |                           |                   |                                 |                     | Consolidated Total |
|-------------------------------|-----------------------------------|------------------------|------------------------------|---------------------------|-------------------|---------------------------------|---------------------|-----------------------------------|------------------------|------------------------------|---------------------------|-------------------|---------------------------------|---------------------|--------------------|
|                               | Program Services                  |                        |                              | Supporting Services       |                   |                                 |                     | Program Services                  |                        |                              | Supporting Services       |                   |                                 |                     |                    |
|                               | Lending/<br>Education<br>Services | Community<br>Advantage | Total<br>Program<br>Services | Management<br>and General | Fundraising       | Total<br>Supporting<br>Services | Total               | Lending/<br>Education<br>Services | Community<br>Advantage | Total<br>Program<br>Services | Management<br>and General | Fundraising       | Total<br>Supporting<br>Services |                     |                    |
| Personnel costs               | \$ 3,182,402                      | \$ 204,852             | \$ 3,387,254                 | \$ 341,853                | \$ 558,403        | \$ 900,256                      | \$ 4,287,510        | \$ 3,182,402                      | \$ 204,852             | \$ 3,387,254                 | \$ 341,853                | \$ 558,403        | \$ 900,256                      | \$ 4,287,510        |                    |
| Professional fees             | 690,405                           | 99,050                 | 789,455                      | 396,081                   | 72,123            | 468,204                         | 1,257,659           | 690,405                           | 99,050                 | 789,455                      | 396,081                   | 72,123            | 468,204                         | 1,257,659           |                    |
| Office and occupancy          | 336,857                           | 21,684                 | 358,541                      | 36,185                    | 59,107            | 95,292                          | 453,833             | 336,857                           | 21,684                 | 358,541                      | 36,185                    | 59,107            | 95,292                          | 453,833             |                    |
| Travel and conferences        | 18,207                            | 1,172                  | 19,379                       | 1,956                     | 3,195             | 5,151                           | 24,530              | 18,207                            | 1,172                  | 19,379                       | 1,956                     | 3,195             | 5,151                           | 24,530              |                    |
| Interest and fees             | 633,056                           | 74,130                 | 707,186                      | -                         | -                 | -                               | 707,186             | 633,056                           | 74,130                 | 707,186                      | -                         | -                 | -                               | 707,186             |                    |
| Depreciation and amortization | 122,286                           | 7,872                  | 130,158                      | 13,135                    | 21,457            | 34,592                          | 164,750             | 122,286                           | 7,872                  | 130,158                      | 13,135                    | 21,457            | 34,592                          | 164,750             |                    |
| Loan loss provision           | 2,090,608                         | 95,180                 | 2,185,788                    | -                         | -                 | -                               | 2,185,788           | 2,090,608                         | 95,180                 | 2,185,788                    | -                         | -                 | -                               | 2,185,788           |                    |
| Other expenses                | 309,172                           | 24,631                 | 333,803                      | 52,611                    | 2,955             | 55,566                          | 389,369             | 309,172                           | 24,631                 | 333,803                      | 52,611                    | 2,955             | 55,566                          | 389,369             |                    |
| <b>TOTAL EXPENSES</b>         | <b>\$ 7,382,993</b>               | <b>\$ 528,571</b>      | <b>\$ 7,911,564</b>          | <b>\$ 841,821</b>         | <b>\$ 717,240</b> | <b>\$ 1,559,061</b>             | <b>\$ 9,470,625</b> | <b>\$ 7,382,993</b>               | <b>\$ 528,571</b>      | <b>\$ 7,911,564</b>          | <b>\$ 841,821</b>         | <b>\$ 717,240</b> | <b>\$ 1,559,061</b>             | <b>\$ 9,470,625</b> |                    |

ASCENDUS, INC.  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

|  | Ascendus - NY                     |                        |                              |                           |                   |                                 | Ascendus-MA                       |                  |                                   | Ascendus, Inc.         |                              |                           |                     |                                 |                     | Consolidated Total  |
|--|-----------------------------------|------------------------|------------------------------|---------------------------|-------------------|---------------------------------|-----------------------------------|------------------|-----------------------------------|------------------------|------------------------------|---------------------------|---------------------|---------------------------------|---------------------|---------------------|
|  | Program Services                  |                        |                              | Supporting Services       |                   |                                 | Program Services                  |                  |                                   | Program Services       |                              |                           | Supporting Services |                                 |                     |                     |
|  | Lending/<br>Education<br>Services | Community<br>Advantage | Total<br>Program<br>Services | Management<br>and General | Fundraising       | Total<br>Supporting<br>Services | Lending/<br>Education<br>Services | Total            | Lending/<br>Education<br>Services | Community<br>Advantage | Total<br>Program<br>Services | Management<br>and General | Fundraising         | Total<br>Supporting<br>Services |                     |                     |
| Personnel costs                                    | \$ 3,051,412                      | \$ 527,698             | \$ 3,579,110                 | \$ 358,525                | \$ 635,279        | \$ 993,804                      | \$ 4,572,914                      | \$ -             | \$ -                              | \$ 3,051,412           | \$ 527,698                   | \$ 3,579,110              | \$ 358,525          | \$ 635,279                      | \$ 993,804          | \$ 4,572,914        |
| Professional fees                                  | 313,831                           | 108,424                | 422,255                      | 389,195                   | 73,095            | 462,290                         | 884,545                           | -                | -                                 | 313,831                | 108,424                      | 422,255                   | 389,195             | 73,095                          | 462,290             | 884,545             |
| Office and occupancy                               | 435,380                           | 58,344                 | 493,724                      | 50,952                    | 74,002            | 124,954                         | 618,678                           | -                | -                                 | 435,380                | 58,344                       | 493,724                   | 50,952              | 74,002                          | 124,954             | 618,678             |
| Travel and conferences                             | 123,542                           | 15,666                 | 139,208                      | 14,458                    | 20,998            | 35,456                          | 174,664                           | -                | -                                 | 123,542                | 15,666                       | 139,208                   | 14,458              | 20,998                          | 35,456              | 174,664             |
| Interest and fees                                  | 582,294                           | 105,181                | 687,475                      | -                         | -                 | -                               | 687,475                           | -                | -                                 | 582,294                | 105,181                      | 687,475                   | -                   | -                               | -                   | 687,475             |
| Depreciation and amortization                      | 114,341                           | 15,321                 | 129,662                      | 13,380                    | 19,433            | 32,813                          | 162,475                           | -                | -                                 | 114,341                | 15,321                       | 129,662                   | 13,380              | 19,433                          | 32,813              | 162,475             |
| Loan loss provision                                | 1,498,795                         | 169,784                | 1,668,579                    | -                         | -                 | -                               | 1,668,579                         | -                | -                                 | 1,498,795              | 169,784                      | 1,668,579                 | -                   | -                               | -                   | 1,668,579           |
| Other expenses                                     | 284,753                           | 16,076                 | 300,829                      | 14,039                    | 20,390            | 34,429                          | 335,258                           | 51,496           | 51,496                            | 336,249                | 16,076                       | 352,325                   | 14,039              | 20,390                          | 34,429              | 386,754             |
| Subtotal before costs of direct benefits to donors | 6,404,348                         | 1,016,494              | 7,420,842                    | 840,549                   | 843,197           | 1,683,746                       | 9,104,588                         | 51,496           | 51,496                            | 6,455,844              | 1,016,494                    | 7,472,338                 | 840,549             | 843,197                         | 1,683,746           | 9,156,084           |
| Less: costs of direct benefits to donors           | -                                 | -                      | -                            | -                         | (26,782)          | (26,782)                        | (26,782)                          | -                | -                                 | -                      | -                            | -                         | -                   | (26,782)                        | (26,782)            | (26,782)            |
| <b>TOTAL EXPENSES</b>                              | <b>\$ 6,404,348</b>               | <b>\$ 1,016,494</b>    | <b>\$ 7,420,842</b>          | <b>\$ 840,549</b>         | <b>\$ 816,415</b> | <b>\$ 1,656,964</b>             | <b>\$ 9,077,806</b>               | <b>\$ 51,496</b> | <b>\$ 51,496</b>                  | <b>\$ 6,455,844</b>    | <b>\$ 1,016,494</b>          | <b>\$ 7,472,338</b>       | <b>\$ 840,549</b>   | <b>\$ 816,415</b>               | <b>\$ 1,656,964</b> | <b>\$ 9,129,302</b> |