

ACCION East, Inc.

ACCION

Consolidated Financial Statements
(Together with Independent Auditors' Report)

Years Ended December 31, 2017 and 2016

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

ACCION East, Inc.
CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
YEARS ENDED DECEMBER 31, 2017 AND 2016

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
ACCION East, Inc.

We have audited the accompanying consolidated financial statements of ACCION East, Inc. ("ACCION"), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ACCION East, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information (shown on pages 15-20) is presented for the purpose of additional analysis of the consolidated financial statements and is not a required part of the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects when considered in relation to the consolidated financial statements taken as a whole.

Marks Paneth LLP

New York, NY
June 29, 2018

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

ASSETS	<u>2017</u>	<u>2016</u>
Cash and cash equivalents (Notes 2C and 8)	\$ 6,475,940	\$ 2,696,477
Contributions and grants receivable (Note 2E)	1,795,741	2,615,717
Interest on loans receivable (Note 2F)	192,472	99,444
Microenterprise loans receivable, net (Notes 2F, 2G and 3)	12,430,665	12,932,670
Cash restricted for loan funds (Note 2D)	3,813,672	3,898,564
Prepaid expenses and other assets	251,585	437,896
Property and equipment, net (Notes 2H and 4)	<u>103,136</u>	<u>103,047</u>
 TOTAL ASSETS	 <u>\$ 25,063,211</u>	 <u>\$ 22,783,815</u>
 LIABILITIES		
Accounts payable and accrued expenses (Note 10)	\$ 580,641	\$ 387,505
Other liabilities	233,466	271,264
Deferred rent (Note 6)	130,382	133,134
Notes and recoverable grants payable (Note 5)	14,687,816	14,057,685
Subordinated debt (Note 5)	<u>500,000</u>	<u>500,000</u>
 TOTAL LIABILITIES	 <u>16,132,305</u>	 <u>15,349,588</u>
 COMMITMENTS AND CONTINGENCIES (Note 6)		
 NET ASSETS (Note 2B)		
Without donor restrictions	6,209,161	4,431,458
With donor restrictions (Note 7)	<u>2,721,745</u>	<u>3,002,769</u>
 TOTAL NET ASSETS	 <u>8,930,906</u>	 <u>7,434,227</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 25,063,211</u>	 <u>\$ 22,783,815</u>

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

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Year Ended December 31, 2017			Year Ended December 31, 2016		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions and grants (Notes 2E and 2I)	\$ 2,175,397	\$ 4,157,680	\$ 6,333,077	\$ 770,724	\$ 5,436,008	\$ 6,206,732
Revenue:						
Interest on loans (Note 2F)	1,616,237	-	1,616,237	1,471,161	-	1,471,161
Program fees	690,127	-	690,127	739,707	-	739,707
Interest income	1,019	-	1,019	2,505	-	2,505
Other revenue (Note 2F)	657,721	-	657,721	317,911	-	317,911
Total Revenue	<u>2,965,104</u>	<u>-</u>	<u>2,965,104</u>	<u>2,531,284</u>	<u>-</u>	<u>2,531,284</u>
Net assets released from restrictions (Note 7)	<u>4,438,704</u>	<u>(4,438,704)</u>	<u>-</u>	<u>5,250,608</u>	<u>(5,250,608)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>9,579,205</u>	<u>(281,024)</u>	<u>9,298,181</u>	<u>8,552,616</u>	<u>185,400</u>	<u>8,738,016</u>
EXPENSES:						
Program services:						
Lending/development services	5,800,998	-	5,800,998	5,626,648	-	5,626,648
Community advantage	597,463	-	597,463	340,716	-	340,716
Total program services	<u>6,398,461</u>	<u>-</u>	<u>6,398,461</u>	<u>5,967,364</u>	<u>-</u>	<u>5,967,364</u>
Supporting services:						
Management and general	804,464	-	804,464	885,281	-	885,281
Fundraising	598,577	-	598,577	692,367	-	692,367
Total supporting services	<u>1,403,041</u>	<u>-</u>	<u>1,403,041</u>	<u>1,577,648</u>	<u>-</u>	<u>1,577,648</u>
TOTAL EXPENSES	<u>7,801,502</u>	<u>-</u>	<u>7,801,502</u>	<u>7,545,012</u>	<u>-</u>	<u>7,545,012</u>
CHANGE IN NET ASSETS	1,777,703	(281,024)	1,496,679	1,007,604	185,400	1,193,004
Net assets - beginning of year	<u>4,431,458</u>	<u>3,002,769</u>	<u>7,434,227</u>	<u>3,423,854</u>	<u>2,817,369</u>	<u>6,241,223</u>
NET ASSETS - END OF YEAR	<u>\$ 6,209,161</u>	<u>\$ 2,721,745</u>	<u>\$ 8,930,906</u>	<u>\$ 4,431,458</u>	<u>\$ 3,002,769</u>	<u>\$ 7,434,227</u>

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	Year Ended December 31, 2017							Year Ended December 31, 2016						
	Program Services			Supporting Services				Program Services			Supporting Services			
	Lending/ Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	Total	Lending/ Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Total Supporting Services
Personnel costs (Note 9)	\$ 3,277,983	\$ 319,242	\$ 3,597,225	\$ 381,858	\$ 430,362	\$ 812,220	\$ 4,409,445	\$ 4,067,735	\$ 2,894,393	\$ 261,375	\$ 3,155,768	\$ 431,754	\$ 480,213	\$ 911,967
Professional fees and marketing (Note 21)	400,353	59,491	459,844	355,851	92,981	448,832	908,676	845,998	340,652	25,925	366,577	365,290	114,131	479,421
Office and occupancy (Note 6)	384,785	37,474	422,259	44,824	50,517	95,341	517,600	582,939	414,790	37,457	452,247	61,874	68,818	130,692
Travel and conferences	110,160	10,346	120,506	12,375	13,947	26,322	146,828	128,799	91,647	8,276	99,923	13,671	15,205	28,876
Interest and fees (Note 5)	464,242	97,814	562,056	-	-	-	562,056	447,522	447,522	-	447,522	-	-	-
Depreciation and amortization (Note 4)	41,462	3,902	45,364	4,668	5,261	9,929	55,293	64,387	46,246	4,041	50,287	6,675	7,425	14,100
Loan loss provision (Note 3)	1,053,175	65,107	1,118,282	-	-	-	1,118,282	1,351,058	1,351,058	-	1,351,058	-	-	-
Other expenses	68,838	4,087	72,925	4,888	5,509	10,397	83,322	56,574	40,340	3,642	43,982	6,017	6,575	12,592
TOTAL EXPENSES	\$ 5,800,998	\$ 597,463	\$ 6,398,461	\$ 804,464	\$ 598,577	\$ 1,403,041	\$ 7,801,502	\$ 7,545,012	\$ 5,626,648	\$ 340,716	\$ 5,967,364	\$ 885,281	\$ 692,367	\$ 1,577,648

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

ACCION East, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2017</u>	<u>2016</u>
Change in net assets	\$ 1,496,679	\$ 1,193,004
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for loan losses	1,118,282	1,351,058
Depreciation and amortization	<u>55,293</u>	<u>64,387</u>
	2,670,254	2,608,449
Changes in assets and liabilities:		
Contributions and grants receivable	819,976	(249,626)
Loan interest receivable	(93,028)	(16,321)
Prepaid expenses and other assets	186,311	59,130
Accounts payable and accrued expenses	193,136	(132,775)
Other liabilities	(37,798)	(5,356)
Deferred rent	<u>(2,752)</u>	<u>3,105</u>
Net Cash Provided by Operating Activities	<u>3,736,099</u>	<u>2,266,606</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disbursements under loan programs	(10,347,460)	(10,601,677)
Collections under loan programs	9,731,183	7,022,691
Change in cash restricted for loan fund	84,892	(1,724,921)
Purchases of property and equipment	<u>(55,382)</u>	<u>(17,536)</u>
Net Cash Used in Investing Activities	<u>(586,767)</u>	<u>(5,321,443)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	4,553,137	7,119,677
Repayments of notes payable	<u>(3,923,006)</u>	<u>(3,484,086)</u>
Net Cash Provided by Financing Activities	<u>630,131</u>	<u>3,635,591</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,779,463	580,754
Cash and cash equivalents - beginning of year	<u>2,696,477</u>	<u>2,115,723</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,475,940</u>	<u>\$ 2,696,477</u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 262,986</u>	<u>\$ 256,609</u>

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ACCION's consolidated financial statements have been prepared on the accrual basis of accounting using accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. ACCION reports grants, gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Net assets without donor restrictions represent net assets not subject to donor-imposed restrictions.
- C. Cash and cash equivalents consist of highly liquid debt instruments purchased with original maturities of three months or less when acquired, except for those amounts held for long-term investment purposes, which are included in investments.
- D. Restricted cash consists of amounts for which the use has been restricted by lenders for specific loan programs.
- E. Contributions and grants receivable are recorded as revenue when the pledge is made and are considered implicitly time restricted. Management evaluates the need for an allowance for doubtful accounts applicable to its contributions and grants receivable based on various factors, including an assessment of the credit worthiness of its donors, aging of the amount due and historical experience. As of December 31, 2017 and 2016, 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, 2017 and 2016, all contributions and grants receivable were due within one year.
- F. Management considers a loan to be impaired when it is probable that ACCION will be unable to collect all amounts due according to the contractual terms of the loan agreement. Management evaluates loans for impairment based on delinquency information, and an assessment of the borrower's financial condition. Impaired loans are written off when payments are past due 180 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, 2017 and 2016, ACCION's loan loss reserve includes approximately \$91,000 and \$26,000, respectively, for the Small Business Administration 7(a) Community Advantage (“SBA CA”) Program. ACCION is in compliance with the loan loss reserve requirements for the SBA CA Program.

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.

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

ACCION collected previously written off loan receivables of approximately \$200,000 and \$111,000 during 2017 and 2016, respectively. Additionally, ACCION granted forgiveness of debts effectively releasing debtors from repayment obligations in the amount of approximately \$67,528 and \$152,000 during 2017 and 2016, respectively. These amounts were included as other revenue in the accompanying consolidated statements of activities.

- G. U.S. GAAP requires that when a not-for-profit organization receives or makes loans of cash that carry interest rates below the prevailing market rate, the imputed interest be recorded as contributions received or paid, respectively. ACCION both receives and makes loans with stated rates of interest that vary from the prevailing market rates for commercial loans. However, ACCION considers its market to be the CDFI industry as opposed to the financial institutions industry in general. Consequently, ACCION believes there is no material difference between community development finance market rates and the stated rates of loans in their portfolios. ACCION accounts for these loans at the stated rates.
- H. Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. ACCION capitalizes all property and equipment having a useful life of greater than one year and a cost of \$500 or more. Expenses for maintenance and repairs are charged to operations as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, with any net gain or loss reflected in the consolidated statement of activities for the period. Leasehold improvements are amortized over the lesser of their estimated useful lives or the term of the lease. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. In addition to tangible assets, ACCION also capitalizes the internal and external costs incurred to develop in-house computer software during the application development stage. This includes the cost to develop or obtain software that allows for access or conversion of old data by new systems. Capitalized software is amortized over its estimated useful life.
- I. Donated services are recognized in the consolidated financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. ACCION received contributed legal services that are valued at the standard market rates that would have been incurred by ACCION to obtain such services. Contributed services are reported as revenue and expense in the accompanying consolidated statements of activities, because they meet the criteria for recognition. ACCION received contributed services of approximately \$65,000 and \$93,000 during 2017 and 2016, respectively.

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- J. The costs of providing ACCION's program and supporting services have been summarized on a functional basis in the accompanying consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated on a reasonable and consistent basis between program and supporting services based on an analysis 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. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.
- L. On August 18, 2016 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ACCION has implemented ASU 2016-14 for the year ended December 31, 2017. The ASU has been applied retrospectively to all periods presented which had no impact on the change in net assets for the years ended December 31, 2017 and 2016.

NOTE 3 – MICROENTERPRISE LOANS RECEIVABLE

Microenterprise loans receivable consists of micro loans (loans under \$35,000), small business loans (loans \$35,000 and over) and SBA CA loans. Microenterprise loans receivable as of December 31, 2017 and 2016, include the following:

December 31, 2017

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

December 31, 2016

	<u>Micro Loans</u>	Small Business <u>Loans</u>	<u>SBA CA Loans</u>	<u>Total</u>
Loans receivable	\$ 12,885,333	\$ 600,252	\$ 770,425	\$ 14,256,010
Less allowance for uncollectible loans	<u>(1,255,840)</u>	<u>(41,407)</u>	<u>(26,093)</u>	<u>(1,323,340)</u>
Loans receivable, net	<u>\$ 11,629,493</u>	<u>\$ 558,845</u>	<u>\$ 744,332</u>	<u>\$ 12,932,670</u>

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 3 – MICROENTERPRISE LOANS RECEIVABLE (Continued)

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

	<u>30 – 90 Days</u>	<u>Over 91 Days</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total</u>
Micro loans	\$ 377,913	\$ 261,676	\$ 639,589	\$ 11,259,310	\$ 11,928,899
Small business loans	-	-	-	603,765	603,765
SBA CA loans	-	-	-	1,235,716	1,235,716
Loans receivable	<u>\$ 377,913</u>	<u>\$ 261,676</u>	<u>\$ 639,589</u>	<u>\$ 13,098,791</u>	<u>\$ 13,768,380</u>

An aged analysis of loans segregated by loan program as of December 31, 2016, follows:

	<u>30 – 90 Days</u>	<u>Over 91 Days</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total</u>
Micro loans	\$ 379,967	\$ 329,921	\$ 709,888	\$ 12,175,445	\$ 12,885,333
Small business loans	-	-	-	600,252	600,252
SBA CA loans	-	-	-	770,425	770,425
Loans receivable	<u>\$ 379,967</u>	<u>\$ 329,921</u>	<u>\$ 709,888</u>	<u>\$ 13,546,122</u>	<u>\$ 14,256,010</u>

The loans receivable include restructured loans as of December 31, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
Restructured loans receivable	\$ 260,515	\$ 265,196
Less allowance for uncollectible loans	<u>(140,658)</u>	<u>(150,240)</u>
	<u>\$ 119,857</u>	<u>\$ 114,956</u>

An analysis of the loan loss allowance for the years ended December 31, 2017 and 2016 follows:

	<u>2017</u>	<u>2016</u>
Balance beginning of year	\$ 1,323,340	\$ 998,454
Provision for loan losses	1,118,282	1,351,058
Loans written-off	<u>(1,103,907)</u>	<u>(1,026,172)</u>
	<u>\$ 1,337,715</u>	<u>\$ 1,323,340</u>

The liquidity of the loan portfolio (net) for the years ended December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Due less than one year	\$ 6,881,602	\$ 5,992,390
Due over one year	<u>5,549,063</u>	<u>6,940,280</u>
	<u>\$ 12,430,665</u>	<u>\$ 12,932,670</u>

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

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	\$ 31,385	\$ 31,385	5 - 10 years
Capitalized hardware and software	448,223	392,841	3 - 5 years
Furniture, fixtures and equipment	<u>171,881</u>	<u>171,881</u>	3 - 5 years
Total cost	651,489	596,107	
Less: accumulated depreciation and amortization	<u>(548,353)</u>	<u>(493,060)</u>	
Net book value	<u>\$ 103,136</u>	<u>\$ 103,047</u>	

Depreciation and amortization expense amounted to \$55,293 and \$64,387 for the years ended December 31, 2017 and 2016, respectively.

NOTE 5 – NOTES AND RECOVERABLE GRANTS PAYABLE AND SUBORDINATED DEBT

The following is a summary of ACCION's credit agreements with various banks and other lenders to fund its operating and microlending activities at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
<u>Recoverable grants – unsecured</u>		
Evergreen arrangements with no definitive maturity date. These recoverable grants are non-interest-bearing.	\$ -	\$ 224,368
<u>Notes payable – secured</u>		
Short term secured borrowing from HSBC bank for a fixed fee per loan (a).	3,600,440	-
<u>Notes payable – secured</u>		
Secured borrowing consisting of federal loan funds secured by program-funded loans receivable.	4,411,802	2,331,558
<u>Notes payable – unsecured</u>		
Maturity terms range from 1 to 10 years, fixed interest rates ranging from 0% to 4% and floating interest rates ranging from the Federal Funds Rate to LIBOR plus 1% per annum (0.58% at December 31, 2017 and 2016).	<u>6,675,574</u>	<u>11,501,759</u>
Total notes and recoverable grants payable	<u>\$ 14,687,816</u>	<u>\$ 14,057,685</u>

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

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 5 – NOTES AND RECOVERABLE GRANTS PAYABLE AND SUBORDINATED DEBT (Continued)

	2017	2016
<u>Subordinated debt – EQ2 Loans – unsecured</u>		
The equity equivalent investment, commonly referred to in the community development financing industry as an “EQ2 Loan”, is a capital product designed by lenders to increase available funding and investments to economically disadvantaged communities. EQ2 loans are subordinated to ACCION’s other loan agreements.	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Maturity terms range from 1 to 10 years with fixed interest rates ranging from 0% to 4%. No principal payments are required until maturity.

Future annual principal payments due are as follows for the years ending after December 31, 2017:

<u>Years ending on December 31:</u>	<u>Amount</u>
2018	\$ 5,078,137
2019	930,985
2020	460,567
2021	1,127,714
2022	616,320
Thereafter	<u>6,974,093</u>
Total	<u>\$ 15,187,816</u>

Included in amounts due during 2018 is \$3,600,440 in secured borrowings described earlier in Note 5 as part of a short-term borrowing. Included in amounts due during 2020 is a revolving line of credit of \$3,000,000 on which \$1,190,567 was outstanding as of June 29, 2018. The line of credit is renewable annually after 2020. Included in amounts thereafter (due in 2027) is a line of credit of \$2,000,000 on which \$1,000,000 was outstanding as of June 29, 2018. The line of credit is payable in \$500,000 installments each April beginning in 2020.

Interest expense was \$251,105 and \$256,609 for the years ended December 31, 2017 and 2016, respectively.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

A. ACCION leased space in New York, Boston, Orlando and Miami during the year ended December 31, 2017. The leases range in maturity from month-to-month to year 2023 and include rent increases, which are amortized on a straight-line basis. Deferred rent was \$130,382 and \$133,134 as of December 31, 2017 and 2016, respectively, and is included in other liabilities in the accompanying consolidated statements of financial position. The estimated annual amortization of deferred rent for the year following December 31, 2017 is \$2,752.

Future minimum lease payments are due as follows for the years ending after December 31, 2017:

2018	\$ 291,186
2019	298,573
2020	297,707
2021	271,218
2022	271,218
Thereafter	<u>161,991</u>
	<u>\$ 1,592,893</u>

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 6 – COMMITMENTS AND CONTINGENCIES (Continued)

Rent expense of \$327,938 and \$328,325 was included in office and occupancy expenses in the accompanying consolidated statement of functional expenses for the years ended December 31, 2017 and 2016, respectively.

B. ACCION believes it has no uncertain tax positions as of December 31, 2017 and 2016 in accordance with Accounting Standards Codification (“ASC”) Topic 740, Income Taxes, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2017 and 2016 are available for the following purposes:

<u>Government Grants:</u>	<u>2017</u>	<u>2016</u>
Pollution emission-reduction program for New York/New Jersey ports	\$ 1,794	\$ 73,578
Economic revitalization and community development	1,006,905	1,750,000
 <u>Private Grants:</u>		
Microlending and Capacity Building	597,439	425,000
Irma Relief Program	50,000	-
Lending and Financial Education for Diverse Entrepreneurs in Florida	250,000	-
Microlending in Jacksonville	10,000	108,333
Microlending to Veterans	57,600	57,600
Community Advantage Program	-	20,000
Microlending and Financial Education to Women in New York	-	15,250
Microlending and Financial Education in New York	150,000	-
Massachusetts Small Business Owners	20,000	-
Mentorship for Women Entrepreneurs in New York	30,000	-
Other	25,000	10,000
 <u>Loan Fund Grants:</u>		
Upper Manhattan microloan capital (New York)	486,238	486,238
Florida State microloan capital	16,882	36,882
Lower Manhattan microloan capital (New York)	19,887	19,888
	<u>\$ 2,721,745</u>	<u>\$ 3,002,769</u>

Net assets with donor restrictions of \$4,438,704 and \$5,250,608 for the years December 31, 2017 and 2016, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors or the passage of time.

NOTE 8 – CONCENTRATION

Cash and cash equivalents that potentially subject ACCION to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of December 31, 2017 and 2016, there were approximately \$9,502,000 and \$5,172,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits.

NOTE 9 – RETIREMENT PLAN

ACCION participates in a retirement savings plan covering all employees who meet the minimum service requirements. ACCION has the option to match its employees’ contributions up to 5% of employee salaries. ACCION made no matching contributions for the years ended December 31, 2017 and 2016.

ACCION East, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 10 – RELATED PARTY TRANSACTIONS

Effective December 31, 2008, ACCION entered into a shared services agreement with ACCION International for the use of shared office space and equipment, administrative support and information technology support. The agreement does not have a maturity date but can be terminated by either party in writing with ninety (90) days advance notice. In the years ended December 31, 2017 and 2016, amounts paid to ACCION International were approximately \$105,503 and \$41,900, respectively. Approximately \$27,000 and \$85,700 was due to ACCION International at December 31, 2017 and 2016, respectively, relating to this shared services agreement.

ACCION entered into a trademark sublicense agreement with ACCION, The U.S. Network (the “Network”) that was effective December 31, 2011 and had an initial three-year term. It is automatically renewed annually. The agreement provides for the legal use of the “ACCION” brand by ACCION. In addition, ACCION entered into a membership dues agreement with the Network that sets forth the membership fee owed to the Network and the minimum performance standards required for membership. In connection with these agreements, ACCION East, Inc. paid \$18,000 annually to the Network for the years ended December 31, 2017 and 2016.

NOTE 11 – LIQUIDITY

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

As of December 31, 2017, ACCION had working capital of approximately \$12.2 million and a current ratio of 3.04. At year end, cash and cash equivalents of approximately \$6.5 million represented 109 days of cash on hand based on the 2018 budget, inclusive of operating expenses and lending forecasts but excluding depreciation and provision expenses. ACCION additionally had short-term receivables of \$7.7 million and \$4.9 million in undrawn lines of credit available for immediate use to fund operating or lending activities.

As of December 31, 2017, the following tables show the total financial assets held and the amounts of those financial assets could readily be made available within one year of the balance sheet date to meet general expenditures.

Financial assets at year-end:

Cash and cash equivalents	\$ 6,475,940
Contributions and grants receivable, net	1,795,741
Interest on loans receivable	192,472
Microenterprise loans receivable	12,430,665
Cash restricted for loans funds	3,813,672
Total financial assets at year-end	<u>\$ 24,708,490</u>

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

Cash and cash equivalents	\$ 6,475,940
Contributions and grants receivable, net	1,795,741
Interest on loans receivable	192,472
Microenterprise loans receivable	6,681,602
Total financial assets at year-end available for general expenditures	<u>\$ 15,145,755</u>

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through June 29, 2018, the date the consolidated financial statements were available to be issued.

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

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

ACCION East, Inc.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016

	<u>ACCION</u>	<u>ACCION-MA</u>	<u>Total</u>	<u>Consolidating Eliminations</u>	<u>Consolidated Total</u>
ASSETS					
Cash and cash equivalents	\$ 2,588,462	\$ 108,015	\$ 2,696,477	\$ -	\$ 2,696,477
Contributions and grants receivable	2,615,717	-	2,615,717	-	2,615,717
Loan interest receivable	99,415	29	99,444	-	99,444
Microenterprise loans receivable, net	12,915,666	17,004	12,932,670	-	12,932,670
Due from related party	2,874,722	-	2,874,722	(2,874,722)	-
Cash restricted for loan funds	3,898,564	-	3,898,564	-	3,898,564
Prepaid expenses and other assets	435,878	2,018	437,896	-	437,896
Property and equipment, net	<u>101,633</u>	<u>1,414</u>	<u>103,047</u>	<u>-</u>	<u>103,047</u>
TOTAL ASSETS	<u>\$ 25,530,057</u>	<u>\$ 128,480</u>	<u>\$ 25,658,537</u>	<u>\$ (2,874,722)</u>	<u>\$ 22,783,815</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 387,505	\$ -	\$ 387,505	\$ -	\$ 387,505
Due to related party	-	2,874,722	2,874,722	(2,874,722)	-
Other liabilities	246,495	24,769	271,264	-	271,264
Deferred rent	133,134	-	133,134	-	133,134
Notes and recoverable grants payable	14,057,685	-	14,057,685	-	14,057,685
Subordinated debt	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
TOTAL LIABILITIES	<u>15,324,819</u>	<u>2,899,491</u>	<u>18,224,310</u>	<u>(2,874,722)</u>	<u>15,349,588</u>
NET ASSETS					
Without donor restrictions	7,202,469	(2,771,011)	4,431,458	-	4,431,458
With donor restrictions	<u>3,002,769</u>	<u>-</u>	<u>3,002,769</u>	<u>-</u>	<u>3,002,769</u>
TOTAL NET ASSETS	<u>10,205,238</u>	<u>(2,771,011)</u>	<u>7,434,227</u>	<u>-</u>	<u>7,434,227</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 25,530,057</u>	<u>\$ 128,480</u>	<u>\$ 25,658,537</u>	<u>\$ (2,874,722)</u>	<u>\$ 22,783,815</u>

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

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

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

	ACCION	ACCION	Total	ACCION-MA	ACCION-MA	Total	Consolidating Eliminations	Consolidated Total		Total
	Without Donor Restrictions	With Donor Restrictions	ACCION	Without Donor Restrictions	With Donor Restrictions	ACCION-MA		Without Donor Restrictions	With Donor Restrictions	
SUPPORT AND REVENUE:										
Contributions and grants	\$ 770,724	\$ 5,436,008	\$ 6,206,732	\$ -	\$ -	\$ -	\$ -	\$ 770,724	\$ 5,436,008	\$ 6,206,732
Revenue:										
Interest on loans	1,471,161	-	1,471,161	-	-	-	-	1,471,161	-	1,471,161
Program fees	739,707	-	739,707	-	-	-	-	739,707	-	739,707
Investment income	2,505	-	2,505	-	-	-	-	2,505	-	2,505
Other revenue	311,870	-	311,870	6,041	-	6,041	-	317,911	-	317,911
Total Revenue	2,525,243	-	2,525,243	6,041	-	6,041	-	2,531,284	-	2,531,284
Net assets released from restrictions	5,250,608	(5,250,608)	-	-	-	-	-	5,250,608	(5,250,608)	-
TOTAL SUPPORT AND REVENUE	8,546,575	185,400	8,731,975	6,041	-	6,041	-	8,552,616	185,400	8,738,016
EXPENSES:										
Program services:										
Lending/Development Services	5,623,779	-	5,623,779	2,869	-	2,869	-	5,626,648	-	5,626,648
Community Advantage	340,716	-	340,716	-	-	-	-	340,716	-	340,716
Total program services	5,964,495	-	5,964,495	2,869	-	2,869	-	5,967,364	-	5,967,364
Supporting services:										
Management and general	885,281	-	885,281	-	-	-	-	885,281	-	885,281
Fundraising	692,367	-	692,367	-	-	-	-	692,367	-	692,367
Total supporting services	1,577,648	-	1,577,648	-	-	-	-	1,577,648	-	1,577,648
TOTAL EXPENSES	7,542,143	-	7,542,143	2,869	-	2,869	-	7,545,012	-	7,545,012
CHANGE IN NET ASSETS	1,004,432	185,400	1,189,832	3,172	-	3,172	-	1,007,604	185,400	1,193,004
Net assets - beginning of year	6,198,037	2,817,369	9,015,406	(2,774,183)	-	(2,774,183)	-	3,423,854	2,817,369	6,241,223
NET ASSETS - END OF YEAR	\$ 7,202,469	\$ 3,002,769	\$ 10,205,238	\$ (2,771,011)	\$ -	\$ (2,771,011)	\$ -	\$ 4,431,458	\$ 3,002,769	\$ 7,434,227

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

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

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

	ACCION - NY							ACCION-MA					ACCION East, Inc.									
	Program Services			Supporting Services				Total	Program Services		Supporting Services			Total	Program Services			Supporting Services				Consolidated Total
	Lending/Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Supporting Services	Lending/Development Services		Management and General	Fundraising	Supporting Services	Lending/Development Services	Community Advantage		Total Program Services	Management and General	Fundraising	Supporting Services				
Personnel costs	\$ 2,894,393	\$ 261,375	\$ 3,155,768	\$ 431,754	\$ 480,213	\$ 911,967	\$ 4,067,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,894,393	\$ 261,375	\$ 3,155,768	\$ 431,754	\$ 480,213	\$ 911,967	\$ 4,067,735			
Professional fees and marketing	340,652	25,925	366,577	365,290	114,131	479,421	845,998	-	-	-	-	-	340,652	25,925	366,577	365,290	114,131	479,421	845,998			
Office and occupancy	414,790	37,457	452,247	61,874	68,818	130,692	582,939	-	-	-	-	-	414,790	37,457	452,247	61,874	68,818	130,692	582,939			
Travel and conferences	91,647	8,276	99,923	13,671	15,205	28,876	128,799	-	-	-	-	-	91,647	8,276	99,923	13,671	15,205	28,876	128,799			
Interest and fees	446,149	-	446,149	-	-	-	446,149	1,373	-	-	-	1,373	447,522	-	447,522	-	-	-	447,522			
Depreciation and amortization	44,750	4,041	48,791	6,675	7,425	14,100	62,891	1,496	-	-	1,496	46,246	4,041	50,287	6,675	7,425	14,100	64,387				
Loan loss provision	1,351,058	-	1,351,058	-	-	-	1,351,058	-	-	-	-	1,351,058	-	1,351,058	-	-	-	1,351,058				
Other expenses	40,340	3,642	43,982	6,017	6,575	12,592	56,574	-	-	-	-	-	40,340	3,642	43,982	6,017	6,575	12,592	56,574			
TOTAL EXPENSES	\$ 5,623,779	\$ 340,716	\$ 5,964,495	\$ 885,281	\$ 692,367	\$ 1,577,648	\$ 7,542,143	\$ 2,869	\$ -	\$ -	\$ -	\$ 2,869	\$ 5,626,648	\$ 340,716	\$ 5,967,364	\$ 885,281	\$ 692,367	\$ 1,577,648	\$ 7,545,012			