

# **ACCION East, Inc.**

# **ACCION**

Consolidated Financial Statements  
(Together with Independent Auditors' Report)

Years Ended December 31, 2016 and 2015

**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, 2016 AND 2015**

**CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report .....	1-2
<b>Consolidated Financial Statements:</b>	
Consolidated Statements of Financial Position .....	3
Consolidated Statements of Activities.....	4
Consolidated Statements of Functional Expenses.....	5
Consolidated Statements of Cash Flows.....	6
Notes to Consolidated Financial Statements.....	7-13
<b>Supplementary Information:</b>	
Consolidating Schedules of Financial Position .....	14-15
Consolidating Schedules of Activities .....	16-17
Consolidating Schedules of Functional Expenses .....	18-19

## 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, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of 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, 2016 and 2015, 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 14-19) 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  
May 15, 2017

**ACCION East, Inc.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016 AND 2015**

<b>ASSETS</b>	<u><b>2016</b></u>	<u><b>2015</b></u>
Cash and cash equivalents (Notes 2C and 8)	\$ 2,696,477	\$ 2,115,723
Contributions and grants receivable (Note 2E)	2,615,717	2,366,091
Interest on loans receivable (Note 2F)	99,444	83,123
Microenterprise loans receivable, net (Notes 2F, 2G and 3)	12,932,670	10,704,742
Cash restricted for loan funds (Notes 2D and 7)	3,898,564	2,173,643
Prepaid expenses and other assets	437,896	497,026
Property and equipment, net (Notes 2H and 4)	<u>103,047</u>	<u>149,898</u>
 <b>TOTAL ASSETS</b>	 <u><b>\$ 22,783,815</b></u>	 <u><b>\$ 18,090,246</b></u>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses (Note 10)	\$ 387,505	\$ 520,280
Other liabilities	271,264	276,620
Deferred rent (Note 6)	133,134	130,029
Notes and recoverable grants payable (Note 5)	14,057,685	10,422,094
Subordinated debt (Note 5)	<u>500,000</u>	<u>500,000</u>
 <b>TOTAL LIABILITIES</b>	 <u><b>15,349,588</b></u>	 <u><b>11,849,023</b></u>
 <b>COMMITMENTS AND CONTINGENCIES (Note 6)</b>		
 <b>NET ASSETS (Note 2B)</b>		
Unrestricted	4,431,458	3,423,854
Temporarily restricted (Note 7)	<u>3,002,769</u>	<u>2,817,369</u>
 <b>TOTAL NET ASSETS</b>	 <u><b>7,434,227</b></u>	 <u><b>6,241,223</b></u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><b>\$ 22,783,815</b></u>	 <u><b>\$ 18,090,246</b></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, 2016 AND 2015**

	<u>Year Ended December 31, 2016</u>			<u>Year Ended December 31, 2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>						
Contributions and grants (Notes 2E and 2I)	\$ 770,724	\$ 5,436,008	\$ 6,206,732	\$ 2,227,655	\$ 3,745,735	\$ 5,973,390
<b>Revenue:</b>						
Interest on loans (Note 2F)	1,471,161	-	1,471,161	1,278,439	-	1,278,439
Program fees	739,707	-	739,707	662,988	-	662,988
Interest income	2,505	-	2,505	26,414	-	26,414
Other revenue (Note 2F)	317,911	-	317,911	274,528	-	274,528
<b>Total Revenue</b>	<u>2,531,284</u>	<u>-</u>	<u>2,531,284</u>	<u>2,242,369</u>	<u>-</u>	<u>2,242,369</u>
<b>Net assets released from restrictions</b> (Note 7)	<u>5,250,608</u>	<u>(5,250,608)</u>	<u>-</u>	<u>3,325,293</u>	<u>(3,325,293)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>8,552,616</u>	<u>185,400</u>	<u>8,738,016</u>	<u>7,795,317</u>	<u>420,442</u>	<u>8,215,759</u>
<b>EXPENSES:</b>						
Program services:						
Lending/development services	5,626,648	-	5,626,648	5,098,521	-	5,098,521
Community advantage	340,716	-	340,716	278,650	-	278,650
Total program services	<u>5,967,364</u>	<u>-</u>	<u>5,967,364</u>	<u>5,377,171</u>	<u>-</u>	<u>5,377,171</u>
Supporting services:						
Management and general	885,281	-	885,281	647,045	-	647,045
Fundraising	692,367	-	692,367	665,063	-	665,063
Total supporting services	<u>1,577,648</u>	<u>-</u>	<u>1,577,648</u>	<u>1,312,108</u>	<u>-</u>	<u>1,312,108</u>
<b>TOTAL EXPENSES</b>	<u>7,545,012</u>	<u>-</u>	<u>7,545,012</u>	<u>6,689,279</u>	<u>-</u>	<u>6,689,279</u>
<b>CHANGE IN NET ASSETS</b>	1,007,604	185,400	1,193,004	1,106,038	420,442	1,526,480
<b>Net assets - beginning of year</b>	<u>3,423,854</u>	<u>2,817,369</u>	<u>6,241,223</u>	<u>2,317,816</u>	<u>2,396,927</u>	<u>4,714,743</u>
<b>NET ASSETS - END OF YEAR</b>	<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>

**ACCION East, Inc.**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015**

	Year Ended December 31, 2016							Year Ended December 31, 2015						
	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)	\$ 2,894,393	\$ 261,375	\$ 3,155,768	\$ 431,754	\$ 480,213	\$ 911,967	\$ 4,067,735	\$ 3,808,545	\$ 2,919,655	\$ 208,632	\$ 3,128,287	\$ 222,701	\$ 457,557	\$ 680,258
Professional fees and marketing (Note 21)	340,652	25,925	366,577	365,290	114,131	479,421	845,998	931,315	419,809	24,810	444,619	378,337	108,359	486,696
Office and occupancy (Note 6)	414,790	37,457	452,247	61,874	68,818	130,692	582,939	510,166	391,207	27,921	419,128	29,804	61,234	91,038
Travel and conferences	91,647	8,276	99,923	13,671	15,205	28,876	128,799	123,323	94,540	6,756	101,296	7,211	14,816	22,027
Interest and fees (Note 5)	447,522	-	447,522	-	-	-	447,522	329,261	329,261	-	329,261	-	-	-
Depreciation and amortization (Note 4)	46,246	4,041	50,287	6,675	7,425	14,100	64,387	102,688	80,429	5,224	85,653	5,577	11,458	17,035
Loan loss provision (Note 3)	1,351,058	-	1,351,058	-	-	-	1,351,058	789,350	789,350	-	789,350	-	-	-
Other expenses	40,340	3,642	43,982	6,017	6,575	12,592	56,574	94,631	74,270	5,307	79,577	3,415	11,639	15,054
<b>TOTAL EXPENSES</b>	<b>\$ 5,626,648</b>	<b>\$ 340,716</b>	<b>\$ 5,967,364</b>	<b>\$ 885,281</b>	<b>\$ 692,367</b>	<b>\$ 1,577,648</b>	<b>\$ 7,545,012</b>	<b>\$ 6,689,279</b>	<b>\$ 5,098,521</b>	<b>\$ 278,650</b>	<b>\$ 5,377,171</b>	<b>\$ 647,045</b>	<b>\$ 665,063</b>	<b>\$ 1,312,108</b>

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, 2016 AND 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<u>2016</u>	<u>2015</u>
Change in net assets	\$ 1,193,004	\$ 1,526,480
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for loan losses	1,351,058	789,350
Depreciation and amortization	<u>64,387</u>	<u>102,688</u>
	2,608,449	2,418,518
Changes in assets and liabilities:		
Contributions and grants receivable	(249,626)	(1,539,372)
Loan interest receivable	(16,321)	(25,876)
Prepaid expenses and other assets	59,130	(257,340)
Accounts payable and accrued expenses	(132,775)	258,024
Other liabilities	(5,356)	78,712
Deferred rent	<u>3,105</u>	<u>8,820</u>
<b>Net Cash Provided by Operating Activities</b>	<u>2,266,606</u>	<u>941,486</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Disbursements under loan programs	(10,601,677)	(9,950,615)
Collections under loan programs	7,022,691	7,661,036
Change in cash restricted for loan fund	(1,724,921)	(621,336)
Purchases of property and equipment	<u>(17,536)</u>	<u>(47,142)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(5,321,443)</u>	<u>(2,958,057)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from notes payable	7,119,677	9,046,388
Repayments of notes payable	<u>(3,484,086)</u>	<u>(7,140,655)</u>
<b>Net Cash Provided by Financing Activities</b>	<u>3,635,591</u>	<u>1,905,733</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	580,754	(110,838)
Cash and cash equivalents - beginning of year	<u>2,115,723</u>	<u>2,226,561</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,696,477</u>	<u>\$ 2,115,723</u>
<b>Supplementary Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	<u>\$ 256,609</u>	<u>\$ 188,080</u>



**ACCION East, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**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 temporarily 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. Unrestricted net assets 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 required, 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, 2016 and 2015, 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, 2016 and 2015, 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, 2016, ACCION's loan loss reserve includes approximately \$26,000 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, 2016 AND 2015**

**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 \$111,000 and \$34,000 during 2016 and 2015, respectively. Additionally, ACCION granted forgiveness of debts effectively releasing debtors from repayment obligations in the amount of approximately \$152,000 and \$127,000 during 2016 and 2015, respectively. These amounts were included as other revenue in the accompanying consolidated statements of activities.

- G. U.S. GAAP require 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 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 \$93,000 and \$221,000 during 2016 and 2015, respectively.
- J. The cost of providing programs and other activities has been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting service benefited, as indicated in the consolidated statements of functional expenses.

**ACCION East, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

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

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.

**NOTE 3 – MICROENTERPRISE LOANS RECEIVABLE**

Microenterprise loans receivable consists of microloans (loans under \$35,000), small business loans (loans \$35,000 and over) and SBA CA loans. Microenterprise loans receivable as of December 31, 2016 and 2015, include the following:

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>

December 31, 2015

	<u>Micro loans</u>	Small business <u>Loans</u>	<u>SBA CA Loans</u>	<u>Total</u>
Loans receivable	\$ 11,346,013	\$ 357,183	\$ -	\$ 11,703,196
Less allowance for uncollectible loans	<u>(967,628)</u>	<u>(30,826)</u>	<u>-</u>	<u>(998,454)</u>
Loans receivable, net	<u>\$ 10,378,385</u>	<u>\$ 326,357</u>	<u>\$ -</u>	<u>\$ 10,704,742</u>

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

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

An aged analysis of loans segregated by loan program as of December 31, 2015, follows:

	<u>30 – 90 Days</u>	Over <u>91 Days</u>	Total Past <u>Due</u>	<u>Current</u>	<u>Total</u>
Micro loans	\$ 264,254	\$ 285,907	\$ 550,161	\$ 10,795,852	\$ 11,346,013
Small business loans	-	-	-	<u>357,183</u>	<u>357,183</u>
Loans receivable	<u>\$ 264,254</u>	<u>\$ 285,907</u>	<u>\$ 550,161</u>	<u>\$ 11,153,035</u>	<u>\$ 11,703,196</u>

**ACCION East, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**NOTE 3 – MICROENTERPRISE LOANS RECEIVABLE (Continued)**

The loans receivable include restructured loans as of December 31, 2016 and 2015 as follows:

	<u>2016</u>	<u>2015</u>
Restructured loans receivable	\$ 265,196	\$ 219,729
Less allowance for uncollectible loans	<u>(150,240)</u>	<u>(120,199)</u>
	<u>\$ 114,956</u>	<u>\$ 99,530</u>

An analysis of the loan loss allowance for the years ended December 31, 2016 and 2015 follows:

	<u>2016</u>	<u>2015</u>
Balance beginning of year	\$ 998,454	\$ 986,404
Provision for loan losses	1,351,058	789,350
Loans written-off	<u>(1,026,172)</u>	<u>(777,300)</u>
	<u>\$ 1,323,340</u>	<u>\$ 998,454</u>

The liquidity of the loan portfolio (net) for the years ended December 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Due less than one year	\$ 5,992,390	\$ 5,301,809
Due over one year	<u>6,940,280</u>	<u>5,402,933</u>
	<u>\$ 12,932,670</u>	<u>\$ 10,704,742</u>

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	\$ 31,385	\$ 31,385	5 - 10 years
Capitalized hardware and software	392,841	379,161	3 - 5 years
Furniture, fixtures and equipment	<u>171,881</u>	<u>181,050</u>	3 - 5 years
Total cost	596,107	591,596	
Less: accumulated depreciation and amortization	<u>(493,060)</u>	<u>(441,698)</u>	
Net book value	<u>\$ 103,047</u>	<u>\$ 149,898</u>	

Depreciation and amortization expense amounted to \$64,387 and \$102,688 for the years ended December 31, 2016 and 2015, respectively. \$13,025 of fixed assets were deemed obsolete and disposed of in 2016.

**ACCION East, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**NOTE 5 – NOTES PAYABLE AND SUBORDINATED DEBT**

The following is a summary of ACCION's credit agreements with various banks and other lenders to fund its operating and microlending activities at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
<u>Recoverable grants – unsecured</u>		
Evergreen arrangements with no definitive maturity date. These recoverable grants are non-interest-bearing.	\$ 224,368	\$ 592,338
<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, 2016 and 2015).	<u>13,833,317</u>	<u>9,829,756</u>
Total notes and recoverable grants payable	<u>\$ 14,057,685</u>	<u>\$ 10,422,094</u>
<u>Subordinated debt – EQ2 Loans – unsecured</u>		
The equity equivalent investment, commonly referred to in the community development financing industry as an “EQ2 Loan”, is a capital product designed by lenders to increase available funding and investments to economically disadvantaged communities. EQ2 loans are subordinated to ACCION's other loan agreements.	<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, 2016:

<u>Years ending on December 31:</u>	<u>Amount</u>
2017	\$ 270,000
2018	1,650,000
2019	900,242
2020	2,418,434
2021	1,161,119
Thereafter	<u>8,157,890</u>
Total	<u>\$ 14,557,685</u>

Included in amounts due during 2020 is a revolving line of credit of \$2,268,000 on which \$1,443,433 was outstanding as of May 15, 2017. The line of credit is renewable annually after 2020. Included in amounts thereafter (due in 2023) is a line of credit of \$2,000,000 on which \$2,000,000 was outstanding as of May 15, 2017. The line of credit is payable in \$500,000 installments each April beginning in 2020.

Interest expense was \$256,609 and \$188,080 for the years ended December 31, 2016 and 2015, respectively.

**ACCION East, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

A. ACCION leased space in New York, Boston, Orlando and Miami during the year ended December 31, 2016. 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 \$133,134 and \$130,029 as of December 31, 2016 and 2015, 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, 2016 is \$2,752.

Future minimum lease payments are due as follows for the years ending after December 31, 2016:

2017	\$ 240,159
2018	246,163
2019	252,317
2020	258,625
2021	265,090
Thereafter	433,707
	<u>\$ 1,696,061</u>

Rent expense of \$328,325 and \$319,500 was included in office and occupancy expenses in the accompanying consolidated statement of functional expenses for the years ended December 31, 2016 and 2015, respectively.

B. ACCION believes it has no uncertain tax positions as of December 31, 2016 and 2015 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 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available as of December 31, 2016 and 2015 for the following purposes and restrictions:

**Government Grants:**

	<u>2016</u>	<u>2015</u>
Pollution emission-reduction program for New York/New Jersey ports	\$ 73,578	\$ 145,362
Economic revitalization and community development	1,750,000	1,750,000

**Private Grants:**

Microlending and Capacity Building	425,000	-
Microlending in Jacksonville	108,333	-
Microlending to Veterans	57,600	-
Community Advantage Program	20,000	-
Microlending and Financial Education to Women in New York	15,250	100,000
Microlending in New York Tri-State area	-	57,600
Florida small business	-	50,000
Women's Loan Guaranty Program	-	106,400
New Jersey Microlending	-	25,000
Microlending – New product development grant	-	10,000
Other	10,000	29,999

**Loan Fund Grants:**

Non-geographic women lending	-	10,220
Upper Manhattan microloan capital (New York)	486,238	486,238
Florida State microloan capital	36,882	26,662
Lower Manhattan microloan capital (New York)	19,888	19,888
	<u>\$ 3,002,769</u>	<u>\$ 2,817,369</u>

**ACCION East, Inc.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS (Continued)**

During the years ended December 31, 2016 and 2015, ACCION released temporarily restricted net assets of \$5,250,608 and \$3,325,293, respectively, by satisfying purpose restrictions.

**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, 2016 and 2015, there were approximately \$5,172,000 and \$3,074,000, 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 that ended December 31, 2016 and 2015, respectively.

**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 each of the years December 31, 2016 and 2015, amounts paid to ACCION International were approximately \$41,900 and \$73,322, respectively. \$85,700 was due to ACCION International at 12/31/16 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, 2016 and 2015.

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through May 15, 2017, the date the consolidated financial statements were available to be issued.

**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>
<b>ASSETS</b>					
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	101,633	1,414	103,047	-	103,047
<b>TOTAL ASSETS</b>	<u>\$ 25,530,057</u>	<u>\$ 128,480</u>	<u>\$ 25,658,537</u>	<u>\$ (2,874,722)</u>	<u>\$ 22,783,815</u>
<b>LIABILITIES</b>					
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 payable	14,057,685	-	14,057,685	-	14,057,685
Subordinated debt	500,000	-	500,000	-	500,000
<b>TOTAL LIABILITIES</b>	<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>
<b>NET ASSETS</b>					
Unrestricted	7,202,469	(2,771,011)	4,431,458	-	4,431,458
Temporarily restricted	3,002,769	-	3,002,769	-	3,002,769
<b>TOTAL NET ASSETS</b>	<u>10,205,238</u>	<u>(2,771,011)</u>	<u>7,434,227</u>	<u>-</u>	<u>7,434,227</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<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 FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2015**

	<u>ACCION</u>	<u>ACCION-MA</u>	<u>Total</u>	<u>Consolidating Eliminations</u>	<u>Consolidated Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,993,755	\$ 121,968	\$ 2,115,723	\$ -	\$ 2,115,723
Contributions and grants receivable	2,366,091	-	2,366,091	-	2,366,091
Loan interest receivable	82,948	175	83,123	-	83,123
Microenterprise loans receivable, net	10,685,398	19,344	10,704,742	-	10,704,742
Due from related party	2,773,952	-	2,773,952	(2,773,952)	-
Cash restricted for loan funds	2,173,643	-	2,173,643	-	2,173,643
Prepaid expenses and other assets	495,009	2,017	497,026	-	497,026
Property and equipment, net	146,987	2,911	149,898	-	149,898
<b>TOTAL ASSETS</b>	<u>\$ 20,717,783</u>	<u>\$ 146,415</u>	<u>\$ 20,864,198</u>	<u>\$ (2,773,952)</u>	<u>\$ 18,090,246</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 520,280	\$ -	\$ 520,280	\$ -	\$ 520,280
Due to related party	-	2,773,952	2,773,952	(2,773,952)	-
Other liabilities	254,974	21,646	276,620	-	276,620
Deferred rent	130,029	-	130,029	-	130,029
Notes payable	10,297,094	125,000	10,422,094	-	10,422,094
Subordinated debt	500,000	-	500,000	-	500,000
<b>TOTAL LIABILITIES</b>	<u>11,702,377</u>	<u>2,920,598</u>	<u>14,622,975</u>	<u>(2,773,952)</u>	<u>11,849,023</u>
<b>NET ASSETS</b>					
Unrestricted	6,198,037	(2,774,183)	3,423,854	-	3,423,854
Temporarily restricted	2,817,369	-	2,817,369	-	2,817,369
<b>TOTAL NET ASSETS</b>	<u>9,015,406</u>	<u>(2,774,183)</u>	<u>6,241,223</u>	<u>-</u>	<u>6,241,223</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 20,717,783</u>	<u>\$ 146,415</u>	<u>\$ 20,864,198</u>	<u>\$ (2,773,952)</u>	<u>\$ 18,090,246</u>

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		
	Unrestricted	Temporarily Restricted	ACCION	Unrestricted	Temporarily Restricted	ACCION-MA		Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>										
Contributions and grants	\$ 770,724	\$ 5,436,008	\$ 6,206,732	\$ -	\$ -	\$ -	\$ -	\$ 770,724	\$ 5,436,008	\$ 6,206,732
<b>Revenue:</b>										
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
<b>Total Revenue</b>	<b>2,525,243</b>	<b>-</b>	<b>2,525,243</b>	<b>6,041</b>	<b>-</b>	<b>6,041</b>	<b>-</b>	<b>2,531,284</b>	<b>-</b>	<b>2,531,284</b>
<b>Net assets released from restrictions</b>	<b>5,250,608</b>	<b>(5,250,608)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,250,608</b>	<b>(5,250,608)</b>	<b>-</b>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>8,546,575</b>	<b>185,400</b>	<b>8,731,975</b>	<b>6,041</b>	<b>-</b>	<b>6,041</b>	<b>-</b>	<b>8,552,616</b>	<b>185,400</b>	<b>8,738,016</b>
<b>EXPENSES:</b>										
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
<b>TOTAL EXPENSES</b>	<b>7,542,143</b>	<b>-</b>	<b>7,542,143</b>	<b>2,869</b>	<b>-</b>	<b>2,869</b>	<b>-</b>	<b>7,545,012</b>	<b>-</b>	<b>7,545,012</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,004,432</b>	<b>185,400</b>	<b>1,189,832</b>	<b>3,172</b>	<b>-</b>	<b>3,172</b>	<b>-</b>	<b>1,007,604</b>	<b>185,400</b>	<b>1,193,004</b>
<b>Net assets - beginning of year</b>	<b>6,198,037</b>	<b>2,817,369</b>	<b>9,015,406</b>	<b>(2,774,183)</b>	<b>-</b>	<b>(2,774,183)</b>	<b>-</b>	<b>3,423,854</b>	<b>2,817,369</b>	<b>6,241,223</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 7,202,469</b>	<b>\$ 3,002,769</b>	<b>\$ 10,205,238</b>	<b>\$ (2,771,011)</b>	<b>\$ -</b>	<b>\$ (2,771,011)</b>	<b>\$ -</b>	<b>\$ 4,431,458</b>	<b>\$ 3,002,769</b>	<b>\$ 7,434,227</b>

ACCION East, Inc.  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	ACCION	ACCION	Total	ACCION-MA	ACCION-MA	Total	Consolidating Eliminations	Consolidated Total		
	Unrestricted	Temporarily Restricted	ACCION	Unrestricted	Temporarily Restricted	ACCION-MA		Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>										
Contributions and grants	\$ 2,227,655	\$ 3,745,735	\$ 5,973,390	\$ -	\$ -	\$ -	\$ -	\$ 2,227,655	\$ 3,745,735	\$ 5,973,390
<b>Revenue:</b>										
Interest on loans	1,276,839	-	1,276,839	1,600	-	1,600	-	1,278,439	-	1,278,439
Program fees	662,988	-	662,988	-	-	-	-	662,988	-	662,988
Investment income	26,414	-	26,414	-	-	-	-	26,414	-	26,414
Other revenue	268,341	-	268,341	6,187	-	6,187	-	274,528	-	274,528
<b>Total Revenue</b>	<b>2,234,582</b>	<b>-</b>	<b>2,234,582</b>	<b>7,787</b>	<b>-</b>	<b>7,787</b>	<b>-</b>	<b>2,242,369</b>	<b>-</b>	<b>2,242,369</b>
<b>Net assets released from restrictions</b>	<b>3,276,072</b>	<b>(3,276,072)</b>	<b>-</b>	<b>49,221</b>	<b>(49,221)</b>	<b>-</b>	<b>-</b>	<b>3,325,293</b>	<b>(3,325,293)</b>	<b>-</b>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>7,738,309</b>	<b>469,663</b>	<b>8,207,972</b>	<b>57,008</b>	<b>(49,221)</b>	<b>7,787</b>	<b>-</b>	<b>7,795,317</b>	<b>420,442</b>	<b>8,215,759</b>
<b>EXPENSES:</b>										
Program services:										
Lending/Development Services	5,083,526	-	5,083,526	14,995	-	14,995	-	5,098,521	-	5,098,521
Community Advantage	278,650	-	278,650	-	-	-	-	278,650	-	278,650
Total program services	5,362,176	-	5,362,176	14,995	-	14,995	-	5,377,171	-	5,377,171
Supporting services:										
Management and general	647,045	-	647,045	-	-	-	-	647,045	-	647,045
Fundraising	665,063	-	665,063	-	-	-	-	665,063	-	665,063
Total supporting services	1,312,108	-	1,312,108	-	-	-	-	1,312,108	-	1,312,108
<b>TOTAL EXPENSES</b>	<b>6,674,284</b>	<b>-</b>	<b>6,674,284</b>	<b>14,995</b>	<b>-</b>	<b>14,995</b>	<b>-</b>	<b>6,689,279</b>	<b>-</b>	<b>6,689,279</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,064,025</b>	<b>469,663</b>	<b>1,533,688</b>	<b>42,013</b>	<b>(49,221)</b>	<b>(7,208)</b>	<b>-</b>	<b>1,106,038</b>	<b>420,442</b>	<b>1,526,480</b>
<b>Net assets - beginning of year</b>	<b>5,134,012</b>	<b>2,347,706</b>	<b>7,481,718</b>	<b>(2,816,196)</b>	<b>49,221</b>	<b>(2,766,975)</b>	<b>-</b>	<b>2,317,816</b>	<b>2,396,927</b>	<b>4,714,743</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 6,198,037</b>	<b>\$ 2,817,369</b>	<b>\$ 9,015,406</b>	<b>\$ (2,774,183)</b>	<b>\$ -</b>	<b>\$ (2,774,183)</b>	<b>\$ -</b>	<b>\$ 3,423,854</b>	<b>\$ 2,817,369</b>	<b>\$ 6,241,223</b>

**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				Program Services		Supporting Services			Program Services			Supporting Services				Consolidated Total
	Lending/Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	Lending/Development Services	Management and General	Fundraising	Total Supporting Services	Total	Lending/Development Services	Community Advantage	Total Program Services	Management and General	Fundraising	Total 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	
<b>TOTAL EXPENSES</b>	<b>\$ 5,623,779</b>	<b>\$ 340,716</b>	<b>\$ 5,964,495</b>	<b>\$ 885,281</b>	<b>\$ 692,367</b>	<b>\$ 1,577,648</b>	<b>\$ 7,542,143</b>	<b>\$ 2,869</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,869</b>	<b>\$ 5,626,648</b>	<b>\$ 340,716</b>	<b>\$ 5,967,364</b>	<b>\$ 885,281</b>	<b>\$ 692,367</b>	<b>\$ 1,577,648</b>	<b>\$ 7,545,012</b>	

**ACCION East, Inc.**  
**CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	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	Total	
Personnel costs	\$ 2,919,655	\$ 208,632	\$ 3,128,287	\$ 222,701	\$ 457,557	\$ 680,258	\$ 3,808,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,919,655	\$ 208,632	\$ 3,128,287	\$ 222,701	\$ 457,557	\$ 680,258	\$ 3,808,545	
Professional fees and marketing	418,438	24,810	443,248	378,337	108,359	486,696	929,944	1,371	-	-	-	1,371	419,809	24,810	444,619	378,337	108,359	486,696	931,315	
Office and occupancy	390,733	27,921	418,654	29,804	61,234	91,038	509,692	474	-	-	-	474	391,207	27,921	419,128	29,804	61,234	91,038	510,166	
Travel and conferences	94,540	6,756	101,296	7,211	14,816	22,027	123,323	-	-	-	-	-	94,540	6,756	101,296	7,211	14,816	22,027	123,323	
Interest and fees	323,428	-	323,428	-	-	-	323,428	5,833	-	-	-	5,833	329,261	-	329,261	-	-	-	329,261	
Depreciation and amortization	73,112	5,224	78,336	5,577	11,458	17,035	95,371	7,317	-	-	-	7,317	80,429	5,224	85,653	5,577	11,458	17,035	102,688	
Loan loss provision	789,350	-	789,350	-	-	-	789,350	-	-	-	-	-	789,350	-	789,350	-	-	-	789,350	
Other expenses	74,270	5,307	79,577	3,415	11,639	15,054	94,631	-	-	-	-	-	74,270	5,307	79,577	3,415	11,639	15,054	94,631	
<b>TOTAL EXPENSES</b>	<b>\$ 5,083,526</b>	<b>\$ 278,650</b>	<b>\$ 5,362,176</b>	<b>\$ 647,045</b>	<b>\$ 665,063</b>	<b>\$ 1,312,108</b>	<b>\$ 6,674,284</b>	<b>\$ 14,995</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,995</b>	<b>\$ 5,098,521</b>	<b>\$ 278,650</b>	<b>\$ 5,377,171</b>	<b>\$ 647,045</b>	<b>\$ 665,063</b>	<b>\$ 1,312,108</b>	<b>\$ 6,689,279</b>	