Consolidated Financial Statements and Report of Independent Certified Public Accountants

Grameen America, Inc.

December 31, 2020 and 2019

Contents

Grant Thornton

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Grameen America, Inc.:

We have audited the accompanying consolidated financial statements of Grameen America, Inc. (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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 Grameen America, Inc. as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York
February 26, 2021

Grameen America, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019
(in thousands of dollars)

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 86,733	$ 23,780
Cash held for loan disbursement program	2,957	3,965
Contributions and grants receivable, current	5,980	6,099
Program loans receivable	109,530	108,269
Participation, net	(4,329)	(1,292)
Allowance for loan losses	(2,530)	(1,926)
Program loans receivable, net	102,671	105,051
Prepaid expenses and other current assets	959	985
Total current assets	199,300	139,880
Contributions and grants receivable	3,092	5,534
Furniture and equipment and other assets	1,204	388
Total assets	$ 203,596	$ 145,802
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable, accrued expenses, and interest payable	$ 1,495	$ 1,632
Senior debt, current	12,994	5,911
Subordinated debt, current	-	250
Other current liabilities	261	1,507
Total current liabilities	14,750	9,300
Senior debt	41,653	42,497
Subordinated debt	45,150	25,400
Other long-term liabilities	-	111
Total liabilities	101,553	77,308
NET ASSETS		
Without donor restrictions	88,510	53,904
With donor restrictions	13,533	14,590
Total net assets	102,043	68,494
Total liabilities and net assets	$ 203,596	$ 145,802

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

Grameen America, Inc.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended December 31, 2020 and 2019
(in thousands of dollars)

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions	$ 25,536	$ 13,877	$ 39,413	$ 199	$ 27,559	$ 27,758
Grant revenue	3,723	-	3,723	90	-	90
Program interest income - loans	11,858	-	11,858	15,226	-	15,226
Other income	505	-	505	496	-	496
Net assets released from restrictions	14,934	(14,934)	-	19,109	(19,109)	-
Total revenues	56,556	(1,057)	55,499	35,120	8,450	43,570
In-kind revenues	2,338	-	2,338	2,784	475	3,259
Total revenues	58,894	(1,057)	57,837	37,904	8,925	46,829
Expenses						
Microlending program	20,171	-	20,171	19,386	-	19,386
Supporting services	1,779	-	1,779	1,774	-	1,774
In-kind expenses	2,338	-	2,338	3,259	-	3,259
Total expenses	24,288	-	24,288	24,419	-	24,419
Increase (decrease) in net assets	34,606	(1,057)	33,549	13,485	8,925	22,410
NET ASSETS						
Beginning of the year	53,904	14,590	68,494	40,419	5,665	46,084
End of year	$ 88,510	$ 13,533	$ 102,043	$ 53,904	$ 14,590	$ 68,494

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

Grameen America, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2020 and 2019
(in thousands of dollars)

	2020	2019
Operating activities		
Changes in net assets	$ 33,549	$ 22,410
Adjustments to reconcile change in net assets to net cash provided by operations:		
Provision for loan losses and portfolio adjustments, net	811	639
Depreciation expense	22	37
Contributed securities	(39)	(9,676)
Liquidation of contributed securities	39	9,676
Change in operating net assets:		
Decrease (increase) in contributions and grants receivable	2,561	(6,378)
(Decrease) increase in accounts payable, accrued expenses, and interest payable	(138)	779
(Increase) decrease in other assets and other liabilities	(2,169)	839
Net cash provided by operating activities	34,636	18,326
Investing activities		
Program-related loan disbursements	(336,224)	(342,979)
Program-related loan repayments	334,706	313,861
Net cash used in investing activities	(1,518)	(29,118)
Financing activities		
Proceeds from notes payable	44,500	44,375
Repayments of notes payable	(18,761)	(26,466)
Loans participated, disbursements	12,492	2,902
Loans participated, repayments	(9,404)	(1,587)
Net cash provided by financing activities	28,827	19,224
Net increase in cash, cash equivalents and restricted cash	61,945	8,432
Cash, cash equivalents and restricted cash		
Beginning of year	27,745	19,313
End of year	$ 89,690	$ 27,745
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 2,389	$ 1,865

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

NOTE 1 - NATURE OF OPERATIONS

Grameen America, Inc. is the parent organization of the following wholly controlled entities: Grameen America Association, Inc., Grameen America (NY), Inc., and GA Fund Manager, LLC (collectively referred to in the consolidated financial statements as the "Organization").

The Organization is a not-for-profit entity incorporated in December 2007 under the laws of the Commonwealth of Massachusetts. The mission of the Organization is to serve low income entrepreneurial women in the United States, in accordance with the Organization's model of micro lending initiated by professor Muhammad Yunus and the Grameen Bank of Bangladesh. The Organization's program includes the following key pillars:

i. Access to capital through microloans;

ii. Asset building by encouraging or facilitating savings by borrowers; and

iii. Credit building to help borrowers build or repair their credit history.

As of December 31, 2020, the Organization operates through a network of 23 branches:

Northeast Region

- Jackson Heights, New York
- Gates Avenue, Brooklyn, New York
- Sunset Park, Brooklyn, New York
- Jamaica, New York
- Manhattan, New York
- Boston, Massachusetts
- Harlem, New York [1]
- Bronx, New York
- Union City, New Jersey
- Newark, New Jersey

West Region

- Boyle Heights, Los Angeles, California
- Pico Union, Los Angeles, California
- Long Beach, Los Angeles, California
- San Jose, California
- Fresno, California
- Oakland, California
- Austin, Texas
- Houston, Texas

Central and Southeast Region

- Indianapolis, Indiana
- Omaha, Nebraska
- Miami, Florida
- Chicago, Illinois [2]
- Charlotte, North Carolina

The Organization maintains its administrative offices in New York, NY.

[1] The Harlem, New York Branch is operating as a research and development branch for the Organization as of December 31, 2020.

[2] Chicago, Illinois opened December 12, 2020.

The San Juan, Puerto Rico Branch ceased operations as of September 30, 2020.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, in conformity with generally accepted accounting principles in the United States of America ("GAAP").

Principles of Consolidation

The consolidated financial statements include the financial statements of the Organization, which includes its wholly-controlled entities, as described in Note 1. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to recoverability of program loans receivable and the collectability of contributions and grants receivable. Actual results may differ from those estimates.

Income Tax Status

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (the "Code"), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, The Organization has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

Cash and Cash Equivalents

Cash equivalents are in the form of money market accounts and funds are callable on demand.

Cash Held for Loan Disbursement Program

Cash held for disbursement program represent amounts that are held in designated bank accounts pursuant to the Organization's Loan Disbursement Program (the "Disbursement Program"). The Disbursement Program is intended to provide borrowers with a safe and flexible loan disbursement channel, as opposed to traditional checks.

(in thousands of dollars)

As of October 2020, The Organization offers two options for members to receive their loan proceeds,

- Prepaid Disbursement Card
- Direct Deposit in a Member's Bank Account

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the consolidated statements of financial position that sum to the same such totals shown in the consolidated statements of cash flows.

	2020	2019
Cash and cash equivalents	$ 86,733	$ 23,780
Cash held for loan disbursement program	2,957	3,965
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	$ 89,690	$ 27,745

Program Loans Receivable, Net

The Organization uses the allowance method to account for potentially uncollectible loans to program participants who are also called program members. Program participants are individuals who generally meet federal poverty guidelines, and who are given small loans to start or expand the individual's income generating business activity. Program members are charged simple interest on the declining balance of the loan. The Organization charges no other fees to join or remain in the program. Generally the terms of the loans are for six months, amortized weekly. The Organization's business depends on the creditworthiness of its participants and their ability to fulfill their obligations to the Organization and the other members of their borrowing group. The Organization maintains an allowance for loan losses that reflects management's judgment and estimation of losses inherent in the portfolio. The Organization reviews its allowance for loan losses for adequacy considering economic conditions and trends and credit quality indicators, including past write-off experience and level of past due loans. While the Organization has a 99% repayment rate on 2020 and 2019 loans, management has established a minimum allowance of 1.78% for the organization. Due to the Covid-19 pandemic, (the "Pandemic") the allowance for the year ended December 31, 2020 was 2.31%. This allowance is recorded within the consolidated statements of financial position as of December 31, 2020 and 2019. GAI provisions it's loan receivable as follows:

	Provision (%)
Loans not in arrears	1%
1-7 days in arrears	1%
8-30 days in arrears	50%
31+ days in arrears	100%

The current lending program of the Organization is subject to applicable laws and regulations. Noncompliance with such laws and regulations could result in fines, penalties, and exclusion from such programs. The Organization is not aware of any noncompliance with applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that could have a material adverse effect on its consolidated financial statements.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash and program loans receivable. Cash is deposited with high-credit quality financial institutions which are insured by the Federal Deposit Insurance Corporation, up to $250. The account balances fluctuate during the year and can exceed this limit. The Organization monitors the financial stability of the banks and does not believe it is exposed to any significant credit risk on its cash. The Organization's program loans receivable are derived from micro loans provided to individuals. Concentrations of credit risk with respect to loans receivable are limited because a large number of members make up the Organization's customer base. At December 31, 2020 and 2019, no single borrower represented more than 0.01% and 0.02% of the total program loans receivable balance for each year, respectively. The Organization manages credit risk through credit limits and monitoring procedures. The Organization performs ongoing credit evaluations of its borrowers but does not require collateral to support the loans.

To the extent that the interest earned from the Organization's microloan portfolio is not sufficient to cover its operating expenses, the Organization will be dependent on contributions and grants for any funding deficit. The Organization believes that its relationships with its principal contributors are satisfactory and that it will be able to raise the funding required to adequately support their mission. For the years ended December 31, 2020 and 2019, the largest five donors accounted for approximately 74% and 78%, respectively, of contributions and grants revenues. These donors comprised 83% and 76%, respectively, of contributions and grants receivable as of December 31, 2020 and 2019.

Furniture, Equipment and Software

All furniture, equipment and software is recorded at cost. Additions and improvements in excess of $5 are capitalized, while repairs are expensed in the year incurred. Depreciation is computed using the straight-line method over the assets' estimated useful lives, which are between 3 and 10 years.

Net Assets

Without Donor Restrictions - net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's policy is to designate donor gifts without restriction to the respective areas that the organization determines it is most needed to further the program.

With Donor Restrictions - net assets which include resources that have been limited by donor-imposed stipulations that either expire with the passage of time and/or can be fulfilled and removed by the actions of the Organization pursuant to those stipulations. As of December 31, 2020 and 2019, the Organization's net assets with donor restrictions are restricted either by time or certain strategic initiatives that the organization plans to undertake.

Revenues and Support

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the Organization recognizes revenue when control of the promised goods or services are transferred in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 requires expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Organization recognizes contracts with customers, as goods or services transferred or provided in accordance with ASC 606.

The results of applying ASC 606 in the prior year using the modified retrospective approach did not have a material impact on the consolidated statements of financial position, statements of activities and changes in net assets, statements of cash flows, business processes, controls or systems of the Organization. The Organization derives its revenue principally from program interest income on loans.

The Organization recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded as revenue within the consolidated statements of activities and changes in net assets when the conditions have been met.

Revenues under grants, and similar agreements are recognized at the time expenditures are incurred or at the time of the distribution of eligible loans under exchange based transactions.

The Organization reports contributions in the net assets with donor restrictions class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are released and reclassified to net assets without donor restrictions in the consolidated statements of activities and changes in net assets. Contributions of net assets with donor restrictions are initially reported in the net assets with donor restrictions net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

Program Interest Income - Loans

The Organization made operational and programmatic changes during 2020 as a result of the Pandemic. Beginning in April 2020, Program delivery moved from in-person meetings to a virtual environment. All employees at the Organization began working remotely. The Organization also launched an economic relief package for its Members which included forgiveness of all interest during the second quarter of 2020, payment assistance to those members who suffered health consequences due to illness caused by the Pandemic and full absorption of third party Member transaction fees on loan repayments during the second quarter. As of December 31, 2020, the Organization has $2,841 of outstanding principal on loans that has been adjusted due to the Pandemic.

Contributed Services and Goods

Contributed services are reported at fair value in the consolidated financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills or services which would be typically purchased if not provided by donation.

The Organization generally pays for services requiring specific expertise. However, some individuals may volunteer their time and perform a variety of tasks that assist the Organization, as well as, serving on the Board of Directors. For the years ended December 31, 2020 and 2019, donated consulting, legal and other goods and services that meet the criteria for recognition in the consolidated financial statements amounted to $1,858 and $2,779, respectively, and donated salaries and benefits of $480 for the years ended December 31, 2020 and 2019, respectively, were reflected within in-kind revenues and in-kind expenses in the consolidated statements of activities and changes in net assets.

Recent Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842).* Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of leases with a term of 12 months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. The guidance requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expire before the earliest comparative period presented. A full retrospective transition approach is not permitted. The guidance will be effective for the Organization beginning in fiscal year 2022. Early adoption is permitted. The Organization is currently assessing the impact this will have on their consolidated financial statements.

Credit Losses

During June 2016, the FASB issued ASU No. 2016-13: *Financial Instruments- Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). The objective of ASU 2016-13 is to provide financial statement users with more decision-useful information concerning the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date, by replacing the incurred-loss impairment methodology with a method that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments contained in ASU 2016-13 are effective for the Organization's consolidated financial statements issued for fiscal years beginning after December 15, 2022, and for interim periods within fiscal years beginning after December 15, 2022. Management has not yet completed its evaluation of the impact this guidance will have upon the Organization's consolidated financial statements.

Rate Reform

In March 2020, the FASB issued ASU No. 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"). ASU 2020-04 provides optional expedients and exceptions for applying GAAP to contracts and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued as a result of reference rate reform. The provisions of ASU No. 2020-04 are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of applying ASU 2020-04.

(in thousands of dollars)

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization manages its liquidity position to meet expenditures, liabilities, and other obligations as they fall due. As such, the Organization targets minimum reserves to meet at least three-months of both operating expenses, as well as, microloan portfolio growth plus any additional cash reserves to meet lender financial covenants. Liquid resources are held in money market accounts until they are needed.

The Organization tracks two categories of available liquid resources: (1) operating expenditures and (2) microloan portfolio growth:

- *Operating expenditures*: those expenditures that are funded from interest earned on the microloan portfolio, with any deficit funded through grants and contributions.

- *Microloan portfolio growth*: those expenditures that are funded by a combination of (a) any operating surplus, (b) grant funding designated for this purpose, and (c) debt financing.

The liquid resources available for each of these categories within one year of the statement of financial position are as follows*:

	Available for Operating Expenditures	Available for Program Loan Portfolio Growth	Black American Network Concept	Covid-19 Contingencies	Total Liquid Resources
Liquid resources available:					
Cash and cash equivalents	$ 12,000	$ 58,233	$ 6,500	$ 10,000	$ 86,733
Cash held for disbursement card program	-	2,957	-	-	2,957
Grants receivable	-	5,980	-	-	5,980
Prepaid expenses and other current assets	959	-	-	-	959
Total liquid resources available at December 31, 2020	$ 12,959	$ 67,170	$ 6,500	$ 10,000	$ 96,629

* *100% of the organization's program loan portfolio (109.531M as of 12/31/20) is current as the maximum remaining tenor of all our microloans at year end is no more than 10 months.*

(in thousands of dollars)

	Available for Operating Expenditures	Available for Program Loan Portfolio Growth	Total Liquid Resources
Liquid resources available:			
Cash and cash equivalents	$ 8,780	$ 15,000	$ 23,780
Cash held for disbursement card program	-	3,965	3,965
Grants receivable	6,099	-	6,099
Other current assets	620	-	620
Total liquid resources available at December 31, 2019	$ 15,499	$ 18,965	$ 34,464

* *100% of the organization's program loan portfolio (108.269M as of 12/31/19) is current as the tenor of all our microloans is 6 months.*

NOTE 4 - CONTRIBUTIONS AND GRANTS RECEIVABLE, NET

Contributions and grants receivable consisted of unconditional promises to give from foundations, institutions and individuals. The scheduled receivables under these commitments as of December 31, 2020 and 2019 are as follows:

	2020	2019
Less than 1 year	$ 5,980	$ 6,099
1-5 years, gross amount	3,095	5,703
Less: discount to present value	(3)	(169)
Contributions and grants receivable, net	$ 9,072	$ 11,633

NOTE 5 - PROGRAM LOANS RECEIVABLE

Program loans receivable consisted of the following at December 31, 2020 and 2019:

	2020			
	Northeast Region	Central and Southeast Region	West Region	Total Grameen America, Inc. Portfolio
Program loans receivable:				
Current	$ 56,970	$ 21,382	$ 29,608	$ 107,960
8-30 days past due	204	18	17	239
> 30 days past due	1,219	55	57	1,331
Total portfolio loans receivable	58,394	21,455	29,682	109,530
Participated loans, net	(660)	-	(3,669)	(4,329)
Allowance for loan losses	(1,890)	(278)	(362)	(2,530)
Program loans receivable, net	$ 55,844	$ 21,177	$ 25,651	$ 102,671

(in thousands of dollars)

	2019			
	Northeast Region	Central and Southeast Region	West Region	Total Grameen America, Inc. Portfolio
Program loans receivable:				
Current	$ 62,724	$ 20,217	$ 25,050	$ 107,991
8-30 days past due	20	13	93	126
> 30 days past due	68	42	42	152
Total portfolio loans receivable	62,812	20,272	25,185	108,269
Participated loans, net	(104)	-	(1,188)	(1,292)
Allowance for loan losses	(1,072)	(369)	(485)	(1,926)
Program loans receivable, net	$ 61,636	$ 19,903	$ 23,512	$ 105,051

Allowance for loan losses consisted of the following at December 31, 2020 and 2019:

	2020	2019
Balance, beginning of year	$ 1,926	$ 1,412
Provision for loan losses	864	662
Portfolio charge-offs & write downs	(260)	(148)
Balance, end of year	$ 2,530	$ 1,926
Provision for loan losses	$ 864	$ 662
Provision for loan losses, loans participated	(53)	(23)
Provision for loan losses, net	$ 811	$ 639

NOTE 6 - FURNITURE, EQUIPMENT AND SOFTWARE, NET

Furniture, equipment and software consisted of the following at December 31, 2020 and 2019:

	2020	2019
Furniture	$ 23	$ 23
Equipment	162	162
Software and other	147	147
Less: accumulated depreciation	(321)	(299)
Furniture and equipment, net	$ 11	$ 33

(in thousands of dollars)

NOTE 7 - DEBT BORROWINGS

Debt borrowings at December 31, 2020 and 2019 consisted of fixed-rate loans from foundations and institutions with various interest rates, with a weighted average cost of capital of 2.6% at December 31, 2020, and due in varying amounts through 2030. The agreements contain financial covenants whereby the Organization is required to maintain specific financial ratios (e.g., current ratio, net asset, capital, liquidity), and other requirements such as maintaining net income at break-even and to maintain a certain level of allowance for loan-losses. The Organization is also required to submit annual audited financial statements within 120 days of the end of fiscal year. At December 31, 2020 and 2019, the Organization was in compliance with all financial covenants.

The scheduled principal repayments under these debt borrowings as of December 31, 2020 are as follows:

	Year of Maturity						
	2021	2022	2023	2024	2025	2026 and Later	Total
Senior debt	$ 12,994	$ 18,503	$ 8,233	$ 9,917	$ -	$ 5,000	$ 54,647
Subordinated debt	-	11,150	-	7,000	17,500	9,500	45,150
Total debt	$ 12,994	$ 29,653	$ 8,233	$ 16,917	$ 17,500	$ 14,500	$ 99,797

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Organization leases office space in New York, Omaha, Indianapolis, Charlotte, San Francisco, Oakland, Los Angeles, San Jose, Boston, Austin, Houston, Long Beach, Newark, Miami, Chicago, and Union City. These leases expire over periods ranging from March 2021 through June 2030. The remaining minimum payment obligations under these leases are as follows:

2021	$ 699
2022	492
2023	382
2024	299
2025	244
2026 and later	534
	$ 2,650

Total rent expense for the years ended December 31, 2020 and 2019 is $1,112 and $1,024, respectively.

(in thousands of dollars)

NOTE 9 - FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are presented on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated for the programs and supporting services benefited based on an internal time study that is reaffirmed annually by the respective department heads.

	2020		
	Microlending Program	Support Services	Total Expenses
Salaries and benefits	$ 10,434	$ 1,254	$ 11,688
Professional fees	1,235	391	1,626
Office expense	273	8	281
Rent and utilities	1,169	87	1,256
Grants to other organizations	2,157	-	2,157
Other expense	1,270	9	1,279
Bad debt expense	846	-	846
Interest expense	2,487	-	2,487
Travel	180	9	189
License and insurance expense	109	20	129
Advertising and events	11	1	12
Total expenses	$ 20,171	$ 1,779	$ 21,950
In-kind services	$ 2,266	$ 72	$ 2,338
Total expenses including in-kind	$ 22,437	$ 1,851	$ 24,288

(in thousands of dollars)

	December 31, 2019		
	Microlending Program	Support Services	Total Expenses
Salaries and benefits	$ 10,505	$ 650	$ 11,155
Professional fees	1,290	934	2,224
Office expense	322	18	340
Rent and utilities	1,131	91	1,222
Grants to other organizations	2,055	-	2,055
Other expense	620	8	628
Bad debt expense	709	-	709
Interest expense	1,919	-	1,919
Travel	621	38	659
License and insurance expense	130	22	152
Advertising and events	84	13	97
Total expenses	$ 19,386	$ 1,774	$ 21,160
In-kind services	$ 2,712	$ 72	$ 2,784
In-kind goods	475	-	475
Total in-kind	$ 3,187	$ 72	$ 3,259
Total expenses including in-kind	$ 22,573	$ 1,846	$ 24,419

NOTE 10 - RETIREMENT PLAN

The Organization offers the opportunity to participate in a retirement program to all eligible staff members through a 401(k) tax deferred savings plan. Staff are automatically enrolled at a 1% contribution rate once participation in the plan is initiated. The Organization contributes a 50% match up to 6% of each staff member's eligible compensation. Each staff member's contributions and earnings as part of this plan are vested at 100%, with contributions by the Organization following a vesting schedule where employees are fully vested after four years of service. The Organization's matching contributions under the plan totaled $147 and $125 for the years ended December 31, 2020 and 2019, respectively.

NOTE 11 - RELATED PARTY TRANSACTIONS

The Organization received contributions from its Board members and organizations affiliated with its Board members. For the years ended December 31, 2020 and 2019, such contributions totaled approximately $80 and $12,799, respectively. Further, the Organization made a grant to Grameen PrimaCare in the amount of $1,785 and $2,055 for the years ended December 31, 2020 and 2019, respectively. Grameen PrimaCare is a related party of the Organization that rents space from the Organization at its New York, New York offices and from which the Organization rents space at Grameen PrimaCare's Jackson Heights, New York offices through May of 2020.

NOTE 12 - PARTICIPATED LOANS

During 2019 The Organization entered an agreement with East West Bank to sell loan participations on a portion of loans in certain geographic areas as designated by East West Bank. This transaction represented a true sale of the participated portions and the Organization still performs all servicing required on the loans. Loan participations sold are excluded from the Program loans receivable, net, on the statements of financial position, and the total outstanding participated amount at December 31, 2020 and 2019, net of provision totaled $4,329 and $1,292, respectively.

NOTE 13 - SUBSEQUENT EVENTS

The Organization has evaluated, for potential recognition and disclosure, events subsequent to the consolidated statement of financial position date of December 31, 2020 through February 26, 2021, the date the consolidated financial statements were available to be issued.

The Organization is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements.