Consolidated Financial Statements and Report of
Independent Certified Public Accountants

GRAMEEN AMERICA, INC.

December 31, 2018 and 2017

GRAMEEN AMERICA, INC.

TABLE OF CONTENTS

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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, 2018 and 2017, 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.

Grant Thornton

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 financial position of Grameen America, Inc. as of December 31, 2018 and 2017, 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
March 28, 2019

GRAMEEN AMERICA, INC.
Consolidated Statements of Financial Position
For the years ended December 31, 2018 and 2017
(in thousands of dollars)

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 16,948	$ 18,724
Cash held for disbursement card program	2,365	2,722
Contributions and grants receivable, current	3,318	3,885
Program loans receivable	79,299	61,135
Allowance for loan losses	(1,412)	(1,088)
Program loans receivable, net	77,887	60,047
Prepaid expenses and other current assets	577	553
Total current assets	101,095	85,931
Contributions and grants receivable	1,937	1,493
Furniture, equipment and software, net	70	122
Other assets	281	160
Total assets	$ 103,383	$ 87,706
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable, accrued expenses, and interest payable	$ 853	$ 657
Senior debt, current	9,165	11,565
Subordinated debt, current	-	1,000
Other current liabilities	297	64
Total current liabilities	10,315	13,286
Senior debt	27,834	30,499
Subordinated debt	19,150	5,250
Total liabilities	57,299	49,035
NET ASSETS		
Without donor restrictions	40,419	32,105
With donor restrictions	5,665	6,566
Total net assets	46,084	38,671
Total liabilities and net assets	$ 103,383	$ 87,706

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

GRAMEEN AMERICA, INC.
Consolidated Statements of Activities and Changes in Net Assets
For the years ended December 31, 2018 and 2017
(in thousands of dollars)

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions	$ 343	$ 10,823	$ 11,166	$ 550	$ 7,636	$ 8,186
Grant revenue	924	-	924	259	-	259
Program interest income - loans	11,658	-	11,658	10,101	-	10,101
Special event (net of expenses of $266 in 2017)	-	-	-	1,653	149	1,802
Other income	323	-	323	145	-	145
Net assets released from restrictions	11,724	(11,724)	-	8,724	(8,724)	-
Total revenues	24,972	(901)	24,071	21,432	(939)	20,493
In-kind donations	2,991	-	2,991	1,065	-	1,065
Total revenues and other support	27,963	(901)	27,062	22,497	(939)	21,558
EXPENSES						
Program services	15,113	-	15,113	15,038	-	15,038
Management and general	1,545	-	1,545	1,772	-	1,772
Total program and supporting services expenses	16,658	-	16,658	16,810	-	16,810
In-kind expenses	2,991	-	2,991	1,065	-	1,065
Total expenses	19,649	-	19,649	17,875	-	17,875
Increase (decrease) in net assets	8,314	(901)	7,413	4,622	(939)	3,683
NET ASSETS						
Beginning of the year	32,105	6,566	38,671	27,483	7,505	34,988
End of year	$ 40,419	$ 5,665	$ 46,084	$ 32,105	$ 6,566	$ 38,671

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

GRAMEEN AMERICA, INC.
Consolidated Statements of Cash Flows
For the years ended December 31, 2018 and 2017
(in thousands of dollars)

	2018	2017
OPERATING ACTIVITIES		
Changes in net assets	$ 7,413	$ 3,683
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Provision for loan losses and portfolio adjustments	406	817
Write-off of pledge receivable	-	80
Depreciation expense	52	61
Contributed securities	(15)	(118)
Liquidation of contributed securities	15	109
Securities held for sale	-	10
Change in operating net assets:		
Decrease in contributions and grants receivable	123	2,986
Increase (decrease) in accounts payable, accrued expenses, and interest payable	196	(184)
Decrease (increase) in prepaid assets, other assets and other liabilities	88	(173)
Net cash provided by operating activities	8,278	7,271
INVESTING ACTIVITIES		
Program-related loan disbursements	(261,046)	(227,840)
Program-related loan repayments	242,800	224,469
Change in cash held for disbursement card program	357	(2,272)
Purchases of furniture, equipment and software	-	(16)
Net cash used in investing activities	(17,889)	(5,659)
FINANCING ACTIVITIES		
Proceeds from debt borrowings	14,300	10,817
Repayments of debt borrowings	(6,465)	(4,895)
Net cash provided by financing activities	7,835	5,922
Net (decrease) increase in cash	(1,776)	7,534
CASH AND CASH EQUIVALENTS		
Beginning of year	18,724	11,190
End of year	$ 16,948	$ 18,724

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

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., GA Social Business Fund II, LLC, GA Fund Manager, LLC, and Grameen Puerto Rico, 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

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

As of December 31, 2018 the Organization operates through a network of 21 branches:

Northeast Region

- Jackson Heights, New York
- Gates Avenue, Brooklyn, New York
- Sunset Park, Brooklyn, New York
- Long Island City/Jamaica, New York
- Manhattan, New York
- Boston, Massachusetts
- Harlem, New York*
- Bronx, New York
- Union City, New Jersey
- Newark, New Jersey

West Region

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

Central and Southeast Region

- Indianapolis, Indiana
- Omaha, Nebraska
- Miami, Florida
- San Juan, Puerto Rico
- Charlotte, North Carolina

* *The Harlem, New York Branch is operating as a research and development branch for the Organization as of December 31, 2018.*

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

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

Grameen 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.

Grameen is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Grameen 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. Grameen has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, Grameen 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 highly liquid investments available on demand with original maturities of three months or less at the time of purchase.

Cash Held for Disbursement Card Program

Cash held for disbursement card program represent amounts that are held in designated bank accounts pursuant to the Organization's Loan Disbursement Card Program (the "Disbursement Card Program"). The

Disbursement Card Program is intended to provide borrowers with a safe and flexible loan disbursement channel, as opposed to traditional checks. The number of branches enrolled in the Loan Disbursement Card Program increased to seventeen branches at December 31, 2018, up from fourteen branches at December 31, 2017.

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 2018 and 2017 loans, management has established, an allowance of 1.78% of gross program loans receivable for each year, respectively. This allowance is recorded within the consolidated statements of financial position as of December 31, 2018 and 2017.

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 ("FDIC"), 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, 2018 and 2017, no single borrower represented more than 0.02% of the total program loans receivable balance. 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, 2018 and 2017, the largest five donors accounted for approximately 61% and 56%, respectively, of contributions and grants revenues. These donors comprised 73% and 65%, respectively, of contributions and grants receivable as of December 31, 2018 and 2017.

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

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as "net assets without donor restrictions" and "net assets with donor restrictions";
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring that all not-for-profits present an analysis of expenses by function and nature in a separate statement or in the notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and,
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

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, 2018 and 2017, 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

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 net assets in the consolidated statement 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.

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, 2018 and 2017, donated consulting, legal and other goods and services that meet the criteria for recognition in the consolidated financial statements amounted to $2,541, and $635, respectively, and donated salaries and benefits of $450 and $430 for the years ended December 31, 2018 and 2017, 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 January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10)*: *Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance primarily affects accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. Certain financial institutions and companies with large equity investment portfolios that are not currently being measured at fair value through the income statement are most affected by the new standard. The new standard also allows entities that are not public business entities and do not carry financial instruments at fair value in the statement of financial position to no longer be required to disclose the fair value and significant assumptions used to estimate the fair value of such financial instruments. The standard is effective for fiscal years beginning after December 15, 2018 for nonpublic business entities. The Organization has early adopted the portion of the standard that eliminates the disclosure requirement for financial instruments that are not recorded at fair value.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,* which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement. For recipients, the effective date of the amendments will align with *Revenue from Contracts with Customers*: effective for annual periods beginning after December 15, 2018 (i.e., the Organization's fiscal year 2019). The Organization is currently assessing the impact this will have on their consolidated financial statements.

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 twelve 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 2019. Early adoption is permitted. The Organization is currently assessing the impact this will have on their consolidated financial statements.

In June 2016, FASB issued ASU 2016-13, *Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which (1) significantly changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model, and (2) provides for recording credit losses on available for sale debt securities through an allowance account. The update requires credit losses on most financial assets measured at amortized cost and certain other instruments to be measured using an expected credit loss model. The guidance will be effective for the Organization beginning in fiscal year 2021. Early adoption is permitted. The Organization is currently assessing the impact this will have on their consolidated financial statements.

Reclassification

Certain reclassifications were made to the fiscal 2017 consolidated financial statements in order to conform to the fiscal 2018 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as reflected in the fiscal 2017 financial statements.

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 3-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.

(in thousands of dollars)

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	Total Liquid Resources
Liquid resources available:			
Cash and cash equivalents	$ 6,948	$ 10,000	$ 16,948
Cash held for disbursement card program	-	2,365	2,365
Contributions and grants receivable	3,318	-	3,318
Other current assets	480	-	480
Total liquid resources available at December 31, 2018	$ 10,746	$ 12,365	$ 23,111

* *100% of the organization's program loan portfolio (79.299M as of 12/31/18) is current as the tenor of all our microloans is 6 months.*

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, 2018 and 2017 are as follows:

	2018	2017
Less than 1 year	$ 3,318	$ 3,885
1-5 years, gross amount	2,010	1,540
Less: Discount to present value	(73)	(47)
Contributions and grants receivable, net	$ 5,255	$ 5,378

(in thousands of dollars)

5. PROGRAM LOANS RECEIVABLE

Program loans receivable consisted of the following at December 31, 2018 and 2017:

	2018			
	Northeast Region	**Central and Southeast Region**	**West Region**	**Total Portfolio**
Program loans receivable:				
Current	$ 48,723	$ 14,678	$ 15,693	$ 79,094
8-30 days past due	3	2	6	11
> 30 days past due	65	90	39	194
Total portfolio loans receivable	48,791	14,770	15,738	79,299
Allowance for loan losses	(814)	(316)	(282)	(1,412)
Program loans receivable, net	$ 47,977	$ 14,454	$ 15,456	$ 77,887

	2017			
	Northeast Region	**Central and Southeast Region**	**West Region**	**Total Portfolio**
Program loans receivable:				
Current	$ 38,513	$ 10,772	$ 11,654	$ 60,939
8-30 days past due	6	7	11	24
> 30 days past due	62	32	78	172
Total portfolio loans receivable	38,581	10,811	11,743	61,135
Allowance for loan losses	(636)	(195)	(257)	(1,088)
Program loans receivable, net	$ 37,945	$ 10,616	$ 11,486	$ 60,047

(in thousands of dollars)

Allowance for loan losses consisted of the following at December 31, 2018 and 2017:

	2018	2017
Balance, beginning of year	$ 1,088	$ 1,045
Provision for loan losses	406	856
Portfolio charge-offs and write down	(82)	(813)
Balance, end of year	$ 1,412	$ 1,088

6. FURNITURE, EQUIPMENT AND SOFTWARE, NET

Furniture, equipment and software consisted of the following at December 31, 2018 and 2017:

	2018	2017
Furniture	$ 23	$ 23
Equipment	162	162
Software and other	147	147
Less: accumulated depreciation	(262)	(210)
Furniture, equipment and software, net	$ 70	$ 122

7. DEBT BORROWINGS

Debt borrowings at December 31, 2018 and 2017 consisted of fixed-rate loans from foundations and institutions with various interest rates, with a weighted average cost of capital of 2.77%, and due in varying amounts through 2027. 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, 2018 and 2017, the Organization was in compliance with all financial covenants.

On March 29, 2018, the Organization received an $11,150 disbursement from the Grameen America Social Business Fund, LLC (the "Social Business Fund"), pursuant to a loan agreement signed on December 15, 2017 between the Organization and the Social Business Fund. The Social Business Fund was formed as a Delaware limited liability company for the purpose of raising funds that will be lent to the Organization. This disbursement will fund future portfolio growth.

(in thousands of dollars)

The scheduled principal repayments under these debt borrowings as of December 31, 2018 are as follows:

			Year of Maturity				
	2019	**2020**	**2021**	**2022**	**2023**	**2024 and later**	**Total**
Senior debt	$ 9,165	$ 8,087	$ 15,187	$ 2,704	$ 1,415	$ 441	$ 36,999
Subordinated debt	-	1,000	-	11,150	-	7,000	19,150
Total debt	$ 9,165	$ 9,087	$ 15,187	$ 13,854	$ 1,415	$ 7,441	$ 56,149

8. COMMITMENTS AND CONTINGENCIES

The Organization leases office space in New York, Omaha, Indianapolis, Charlotte, San Francisco, Oakland, Los Angeles, San Juan, San Jose, Boston, Austin, Houston, Newark, Miami, and Union City. These leases expire over periods ranging from June 2019 through June 2028. The remaining minimum payment obligations under these leases are as follows:

2019	$ 988
2020	937
2021	394
2022	192
2023	126
2024 and thereafter	299
	$ 2,936

Total rent expense for the years ended December 31, 2018 and 2017 is $971 and $906, respectively.

(in thousands of dollars)

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.

	December 31, 2018			
	Program Services	Support Services	In-Kind Services	Total Expenses
Salaries and benefits	$ 9,785	$ 1,074	$ 450	$ 11,309
Professional fees	916	245	2,541	3,702
Office expense	483	52	-	535
Rent and utilities	1,059	88	-	1,147
Bad debt expense	415	-	-	415
Interest expense	1,443	-	-	1,443
Travel	467	41	-	508
License and insurance expense	140	19	-	159
Advertising and events	112	10	-	122
Other expense	293	16	-	309
	$ 15,113	$ 1,545	$ 2,991	$ 19,649

	December 31, 2017			
	Program Services	Support Services	In-Kind Services	Total Expenses
Salaries and benefits	$ 9,323	$ 990	$ 430	$ 10,743
Professional fees	973	332	610	1,915
Office expense	541	66	-	607
Rent and utilities	1,017	91	-	1,108
Bad debt expense	897	-	-	897
Interest expense	1,176	4	-	1,180
Travel	553	42	25	620
License and insurance expense	114	21	-	135
Advertising and events	51	7	-	58
Other expense	393	219	-	612
	$ 15,038	$ 1,772	$ 1,065	$ 17,875

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 $118 and $117 for the years ended December 31, 2018 and 2017, respectively.

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, 2018 and 2017, such contributions totaled approximately $1,060 and $2,653, respectively. Further, the Organization made a grant to Grameen PrimaCare in the amount of $189 for the year ended December 31, 2017. 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.

12. SUBSEQUENT EVENTS

The Organization has evaluated, for potential recognition and disclosure, events subsequent to the consolidated statement of financial position date of December 31, 2018 through March 28, 2019, 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.