Consolidated Financial Statements and Report of Independent Certified Public Accountants

Grameen America, Inc.

December 31, 2019 and 2018

Contents

GrantThornton

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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, 2019 and 2018, 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.

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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, 2019 and 2018, 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 28, 2020

Grameen America, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2019
(in thousands of dollars)

ASSETS	**2019**	**2018**
CURRENT ASSETS		
Cash and cash equivalents	$ 23,780	$ 16,948
Cash held for disbursement card program	3,965	2,365
Contributions and grants receivable, current	6,099	3,318
Program loans receivable	108,269	79,299
Participation, net	(1,292)	-
Allowance for loan losses	(1,926)	(1,412)
Program loans receivable, net	105,051	77,887
Prepaid expenses	365	335
Other current assets	620	242
Total current assets	139,880	101,095
Contributions and grants receivable	5,534	1,937
Furniture, equipment and software, net	33	70
Other assets	355	281
Total assets	$ 145,802	$ 103,383
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable, accrued expenses, and interest payable	$ 1,632	$ 853
Senior debt, current	5,911	9,165
Subordinated debt, current	250	-
Other current liabilities	1,507	297
Total current liabilities	9,300	10,315
Senior debt	42,497	27,834
Subordinated debt	25,400	19,150
Other long-term liabilities	111	-
Total liabilities	77,308	57,299
NET ASSETS		
Without donor restrictions	53,904	40,419
With donor restrictions	14,590	5,665
Total net assets	68,494	46,084
Total liabilities and net assets	$ 145,802	$ 103,383

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, 2019 and 2018
(in thousands of dollars)

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions	$ 199	$ 27,559	$ 27,758	$ 343	$ 10,823	$ 11,166
Grant revenue	90	-	90	924	-	924
Program interest income - loans	15,226	-	15,226	11,658	-	11,658
Other income	496	-	496	323	-	323
Net assets released from restrictions	19,109	(19,109)	-	11,723	(11,723)	-
Total revenues	35,120	8,450	43,570	24,971	(900)	24,071
In-kind revenues	2,784	475	3,259	2,991	-	2,991
Total revenues	37,904	8,925	46,829	27,962	(900)	27,062
Expenses						
Microlending program	19,386	-	19,386	15,113	-	15,113
Supporting services	1,774	-	1,774	1,545	-	1,545
In-kind expenses	3,259	-	3,259	2,991	-	2,991
Total expenses	24,419	-	24,419	19,649	-	19,649
Increase (decrease) in net assets	13,485	8,925	22,410	8,313	(900)	7,413
NET ASSETS						
Beginning of the year	40,419	5,665	46,084	32,106	6,565	38,671
End of year	$ 53,904	$ 14,590	$ 68,494	$ 40,419	$ 5,665	$ 46,084

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

Grameen America, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2019 and 2018
(in thousands of dollars)

	2019	2018
Operating activities		
Changes in net assets	$ 22,410	$ 7,413
Adjustments to reconcile change in net assets		
to net cash provided by operations:		
Provision for loan losses and portfolio adjustments, net	639	406
Depreciation expense	37	52
Contributed securities	(9,676)	(15)
Liquidation of contributed securities	9,676	15
Change in operating net assets:		
Increase (decrease) in contributions and grants receivable	(6,378)	123
Increase in accounts payable, accrued expenses,		
and interest payable	779	196
Increase in other assets and other liabilities	839	88
Net cash provided by operating activities	18,326	8,278
Investing activities		
Program-related loan disbursements	(342,979)	(261,046)
Program-related loan repayments	313,861	242,801
Net cash used in investing activities	(29,118)	(18,245)
Financing activities		
Proceeds from notes payable	44,375	14,300
Repayments of notes payable	(26,466)	(6,466)
Loans participated, disbursements	2,902	-
Loans participated, repayments	(1,587)	-
Net cash provided by financing activities	19,224	7,834
Net increase (decrease) in cash	8,432	(2,133)
Cash, cash equivalents and restricted cash		
Beginning of year	19,313	21,446
End of year	$ 27,745	$ 19,313
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 1,865	$ 1,265

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., 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, 2019, 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*
- 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
- 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, 2019.*

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

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 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. 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 highly liquid investments available on demand with original maturities of three months or less at the time of purchase.

(in thousands of dollars)

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 23 branches at December 31, 2019, up from 17 branches at December 31, 2018.

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

	2019	2018
Cash and cash equivalents	$ 23,780	$ 16,948
Cash held for disbursement card program	3,965	2,365
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	$ 27,745	$ 19,313

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 2019 and 2018 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, 2019 and 2018.

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, 2019 and 2018, 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, 2019 and 2018, the largest five donors accounted for approximately 78% and 61%, respectively, of contributions and grants revenues. These donors comprised 76% and 73%, respectively, of contributions and grants receivable as of December 31, 2019 and 2018.

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, 2019 and 2018, 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 also requires new and 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 using the modified retrospective approach did not have a material impact on the consolidated statements of financial position, statement 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.

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, 2019 and 2018, donated consulting, legal and other goods and services that meet the criteria for recognition in the consolidated financial statements amounted to $2,779 and $2,541, respectively, and donated salaries and benefits of $480 and $450 for the years ended December 31, 2019 and 2018, 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 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 2021. Early adoption is permitted. The Organization is currently assessing the impact this will have on their consolidated financial statements.

(in thousands of dollars)

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.

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	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.*

(in thousands of dollars)

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, 2019 and 2018 are as follows:

	2019	2018
Less than 1 year	$ 6,099	$ 3,418
1-5 years, gross amount	5,703	1,910
Less: Discount to present value	(169)	(73)
Contributions and grants receivable, net	$ 11,633	$ 5,255

NOTE 5 - PROGRAM LOANS RECEIVABLE

Program loans receivable consisted of the following at December 31, 2019 and 2018:

	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

	2018			
	Northeast Region	Central and Southeast Region	West Region	Total Grameen America, Inc. 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

(in thousands of dollars)

Allowance for loan losses consisted of the following at December 31, 2019 and 2018:

	2019	2018
Balance, beginning of year	$ 1,412	$ 1,088
Provision for loan losses	662	406
Portfolio charge-offs & write downs	(148)	(82)
Balance, end of year	$ 1,926	$ 1,412
Provision for loan losses	$ 662	$ 406
Provision for loan losses, loans participated	(23)	-
Provision for loan losses, net	$ 639	$ 406

NOTE 6 - FURNITURE, EQUIPMENT AND SOFTWARE, NET

Furniture, equipment and software consisted of the following at December 31, 2019 and 2018:

	2019	2018
Furniture	$ 23	$ 23
Equipment	162	162
Software and other	147	147
Less: accumulated depreciation	(299)	(262)
Furniture and equipment, net	$ 33	$ 70

NOTE 7 - DEBT BORROWINGS

Debt borrowings at December 31, 2019 and 2018 consisted of fixed-rate loans from foundations and institutions with various interest rates, with a weighted average cost of capital of 3.07%, and due in varying amounts through 2029. 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, 2019 and 2018, the Organization was in compliance with all financial covenants.

The scheduled principal repayments under these debt borrowings as of December 31, 2019 are as follows:

	Year of Maturity						
	2020	2021	2022	2023	2024	2025 and Later	Total
Senior debt	$ 5,911	$ 19,995	$ 16,002	$ 2,750	$ 3,750	$ -	$ 48,408
Subordinated debt	250	750	11,150	-	6,000	7,500	25,650
Total debt	$ 6,161	$ 20,745	$ 27,152	$ 2,750	$ 9,750	$ 7,500	$ 74,058

(in thousands of dollars)

NOTE 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, Long Beach, Newark, Miami, and Union City. These leases expire over periods ranging from May 2020 through June 2028. The remaining minimum payment obligations under these leases are as follows:

2020	$	977
2021		414
2022		204
2023		126
2024		86
2025 and later		213
	$	2,020

Total rent expense for the years ended December 31, 2019 and 2018 is $1,024 and $971, respectively.

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.

	December 31, 2019		
	Program Services	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

(in thousands of dollars)

	December 31, 2018		
	Program Services	Support Services	Total Expenses
Salaries and benefits	$ 9,785	$ 1,074	$ 10,859
Professional fees	916	246	1,162
Office expense	483	52	535
Rent and utilities	1,059	88	1,147
Other expense	293	15	308
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
Total expenses	$ 15,113	$ 1,545	$ 16,658
In-Kind services	2,924	68	2,991
Total expenses including In-Kind	$ 18,512	$ 1,613	$ 20,124

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 $125 and $118 for the years ended December 31, 2019 and 2018, 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, 2019 and 2018, such contributions totaled approximately $12,799 and $1,060, respectively. Further, the Organization made a grant to Grameen PrimaCare in the amount of $2,055 for the year ended December 31, 2019. 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.

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 preforms 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, 2019, net of provision totaled $1,292.

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, 2019 through February 28, 2020 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.