

































## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

**NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

As required by existing guidance, Accion reports certain assets at fair value. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities;
- Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting Accion's own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for assets recorded at fair value.

***Contributions and Grants Receivable***

Contributions and grants receivable are reported based on non-recurring fair value measurements. Multi-year pledges are recorded at the present value of future cash flows using a discount rate, adjusted for market conditions, to estimate fair value.

***Investments***

Investments whose values are based on quoted market prices in active markets are classified as Level 1 assets. These investments primarily include money market funds, U.S. Treasury, and equity securities. Investments, whose values are based on quoted prices in markets that are not active, and for prices obtained from comparable securities of issuers with similar credit ratings, are classified as Level 2 assets. These investments include certificates of deposits and corporate bonds. Investments whose values are based on unobservable inputs based on little or no market activity are classified as Level 3 assets. These investments include program investments held at fair value that are not traded in active markets.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The following tables set forth, by level within the fair value hierarchy, the financial assets and liabilities recorded at fair value on a recurring basis as of December 31, 2020 and 2019:

	2020				
	Level 1	Level 2	Level 3	NAV	Total
Short-term investments					
U.S. Treasury and agency bonds	\$ 34,534,908	\$ -	\$ -	\$ -	\$ 34,534,908
Corporate bonds	-	47,000,713	-	-	47,000,713
Program investments, at fair value	-	-	67,076,286	-	67,076,286
Investments pledged as guarantee for letters of credit					
Cash and cash equivalents	2,857,810	-	-	-	2,857,810
Investments valued at NAV	-	-	-	57,266,859	57,266,859
	<u>\$ 37,392,718</u>	<u>\$ 47,000,713</u>	<u>\$ 67,076,286</u>	<u>\$ 57,266,859</u>	<u>\$ 208,736,576</u>
	2019				
	Level 1	Level 2	Level 3	NAV	Total
Short-term investments					
U.S. Treasury and agency bonds	\$ 26,353,840	\$ -	\$ -	\$ -	\$ 26,353,840
Corporate bonds	-	32,925,331	-	-	32,925,331
Certificate of deposits	-	2,031,134	-	-	2,031,134
Program investments, at fair value	-	-	87,678,531	-	87,678,531
Investments pledged as guarantee for letters of credit					
Cash and cash equivalents	1,411,075	-	-	-	1,411,075
U.S. Treasury Certificate of deposits	1,616,813	-	-	-	1,616,813
Certificate of deposits	-	364,374	-	-	364,374
Investments valued at NAV	-	-	-	40,279,728	40,279,728
	<u>\$ 29,381,728</u>	<u>\$ 35,320,839</u>	<u>\$ 87,678,531</u>	<u>\$ 40,279,728</u>	<u>\$ 192,660,826</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The following is a reconciliation of the beginning and ending balances for assets measured at fair value using significant unobservable inputs (Level 3) during the years ended December 31, 2020 and 2019. In 2019, one program investment transferred into Level 3. There were no transfers into and out of Level 3 investments during 2020.

	Program Investments	
	2020	2019
Beginning balance	\$ 87,678,531	\$ 92,609,620
Transfers into Level 3	-	7,819,882
Transfers out of Level 3		
Purchases	-	19,795,145
Sales	(3,735,986)	(24,110,301)
Change in unrealized gains or losses	(16,866,259)	(8,435,815)
Ending balance	<u>\$ 67,076,286</u>	<u>\$ 87,678,531</u>

The table below sets forth a summary of valuation techniques and quantitative information utilized in determining the fair value of Accion's Level 3 investments as of December 31.

Investment	Fair Value as of December 31, 2020	Fair Value as of December 31, 2019	Valuation Technique	Unobservable Input	2020 Rates	2019 Rates
Grassland Finance limited	\$ 17,232,140	\$ 19,215,455	Discounted cash flows	Discount rate	12.60%	N/A
Teak Tree Investments Pte. Limited	8,656,928	7,140,000	Discounted cash flows	Discount rate	19.50%	N/A
Dawn Myanmar Microfinance pte. Limited	14,201,434	13,671,497	Discounted cash flows	Discount rate	25.20%	26.12%
Aye Finance	-	21,034,816	N/A	N/A	N/A	N/A
Dvara KGFS Pte. Limited	15,182,632	14,531,663	Discounted cash flows	Discount rate	18.80%	21.06%
AMfB	5,671,448	6,274,555	Discounted cash flows	Discount rate	28.50%	N/A
Socremo Banco de Mircorfinancas SARL	4,095,608	4,209,692	Comparative transaction	N/A	N/A	21.63%
Dvara Solutions	926,090	999,600	Discounted cash flows	Discount rate	18.85%	32.84%
UGAFODE	1,110,006	601,253	Comparative transaction	-	-	-
	<u>\$ 67,076,286</u>	<u>\$ 87,678,531</u>				

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment at December 31 consist of the following:

	<u>2020</u>	<u>2019</u>
Furniture, fixtures, equipment and software	\$ 1,382,147	\$ 1,404,209
Leasehold improvements	<u>1,941,670</u>	<u>1,977,755</u>
Property and equipment - gross	3,323,817	3,381,964
Less accumulated depreciation	<u>(2,407,117)</u>	<u>(2,225,854)</u>
Property and equipment - net	<u>\$ 916,700</u>	<u>\$ 1,156,110</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

## NOTE 5 - PROGRAM INVESTMENTS

Program investments at December 31 consist of the following:

	2020	2019
Investments in microfinance institutions with greater than 20% participation		
Banco Solidario S.A (Bolivia) (Equity Method)	\$ 106,628,790	\$ 109,260,685
Saija (India) (Equity Method)	1,136,796	4,477,839
Grassland Finance Limited (Hong Kong) (Fair Value)	17,232,140	19,215,455
Teak Tree Investments Pte. Limited (Cayman Islands) (Fair Value)	8,656,928	7,140,000
Dawn Myanmar Microfinance Pte. Limited (Singapore) (Fair Value)	14,201,434	13,671,497
Aye Finance (India) (Fair Value)	-	21,034,816
Dvara KGFS Pte. Limited (India) (Fair Value)	15,182,632	14,531,663
ACCION Investments in Nigeria (Cayman Islands) (Fair Value)	-	6,274,555
ACCION Microfinance Bank Ltd. (Nigeria) (Fair Value)	5,671,448	-
Other (Various) (Fair Value)	6,131,704	5,810,545
	<u>174,841,872</u>	<u>201,417,055</u>
Investments in microfinance institutions with less than 20% participation (measurement exception)		
Credinka (Peru)	3,356,241	5,505,502
Basix Sub-K iTransactions Limited (India)	11,747,053	11,747,053
Northern Arc Capital Limited (India)	21,316,113	21,316,113
Other (Various)	6,137,569	5,628,134
	<u>42,556,976</u>	<u>44,196,802</u>
Investments in mission-related non microfinance institutions with less than 20% participation		
Azimo (UK) (Measurement exception)	11,391,924	11,391,924
Accion Frontier Inclusion Fund, L.P. (Cayman Islands) (NAV)	48,383,624	35,678,072
Accion Quona Inclusion Fund, L.P. (Cayman Islands) (NAV)	8,700,564	4,140,828
Other (Various) (Measurement exception)	4,862,934	4,733,186
	<u>73,339,046</u>	<u>55,944,010</u>
Investments in mission-related seed-stage non microfinance institutions with less than 20% participation (measurement exception)		
Self Lender, Inc (USA)	9,668,745	612,095
Konfio Limited (Cayman Islands)	7,480,855	7,480,854
Other (Various)	13,844,281	9,701,825
	<u>30,993,881</u>	<u>17,794,774</u>
Total program investments	<u>\$ 321,731,775</u>	<u>\$ 319,352,641</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The carrying value of equity securities without readily determinable fair values has been adjusted as follows during the fiscal years ended December 31:

	2020	2019
Carrying amount, beginning of period	\$ 77,630,357	\$ 30,932,727
Measurement exception adjustment	11,546,757	41,477,519
Purchases	5,403,006	427,979
Impairments	(5,458,702)	(5,584,962)
Other adjustments	16,666	10,377,094
	<u>\$ 89,138,084</u>	<u>\$ 77,630,357</u>
Carrying amount, end of period		

**Banco Solidario S.A. ("BancoSol")**

BancoSol is a private commercial bank focused on microenterprises in Bolivia. Accion's investment in Banco Solidario S.A. ("BancoSol"), a foreign affiliate accounted for under the equity method of accounting, is carried at \$107 million and \$109 million on the consolidated statements of financial position as of December 31, 2020 and 2019, respectively. Accion's investment in BancoSol as of December 31, 2020 and 2019 represented 40% of BancoSol's total common shares. For the years ended December 31, 2020 and 2019, Accion received a dividend of \$4,118,745 and \$3,384,717, respectively, and reported its share of BancoSol's equity with an increase of \$2,042,836 and \$17,518,947, respectively. In 2020, Accion sold 23,870 shares of BancoSol and recorded a realized loss of \$128,235. The accounts of BancoSol reflect total assets and total liabilities of \$2,297,000,000 and \$2,054,000,000 and \$2,088,000,000 and \$1,840,000,000 at December 31, 2020 and 2019, respectively. In fiscal year 2020, due to the limitations on availability of payment information used to determine the necessary loan loss reserves associated with the loan portfolio of Bancosol, the investment in Bancosol was adjusted using data available from fiscal year 2019 and prior.

**Saija Finance ("Saija")**

Saija is a non-bank microfinance institution operating in Bihar, India. Accion's investment in Saija as of December 31, 2020 and 2019 represented 45.20% of Saija's total common shares. For the years ended December 31, 2020 and 2019, Accion reported its share of Saija's equity with a decrease of \$362,210 and an increase of \$189,445, respectively. For the year ended December 31, 2020, Accion reported an impairment of \$2,978,833 reflected in equity income in equity investments. The accounts of Saija reflect total assets and total liabilities of \$33,500,000 and \$24,400,000 and \$56,600,000 and \$46,700,000 at December 31, 2020 and 2019, respectively.

**Grassland Finance Limited ("Grassland")**

Grassland is a holding company focused on investing in financial services institutions that provide loans and other financial services to China's vast number of micro, small, and medium enterprises. For the years ended December 31, 2020 and 2019, Accion reported a decrease in fair market value of \$1,983,315 and \$1,780,157, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

***Teak Tree Investments Pte. Ltd. (“Teak Tree”)***

Teak Tree is a holding company owning indirectly a significant minority in two non-bank microfinance institutions in the Philippines. Accion’s investment in Teak Tree as of December 31, 2020 and 2019 represented 28.92% and 28.92% of Teak Tree’s total common shares. For the years ended December 31, 2020 and 2019, Accion reported an increase in fair market value of \$1,516,928 and a decrease of \$194,741, respectively.

***Dawn Myanmar Microfinance Pte. Ltd. (“Dawn Myanmar”)***

Dawn Myanmar is a holding company owning 100% of Early Dawn Micro-Finance Ltd., a non-bank microfinance institution in Myanmar. In 2019, Accion purchased 1,500,000 additional shares of Dawn Myanmar. For the years ended December 31, 2020 and 2019, Accion reported an increase in fair market value of \$529,937 and \$6,879,091, respectively.

***Aye Finance Private Limited (“Aye Finance”)***

Aye Finance is a non-bank microfinance institution providing financial services to micro and small businesses in Northern India. In 2020, Accion sold its 2,713,516 remaining shares of Aye Finance and recorded a realized gain of \$17,246,184. For the year ended December 31, 2019, Accion reported an increase in fair market value of \$10,140,027.

***Dvara Kshetriya Gramin Financial Services Private Limited (“Dvara KGFS”)***

IFMR was an Indian holding-cum-operating company, with two main subsidiaries: IFMR Capital, which provided debt to microfinance institutions and other financial service providers to the base of the pyramid in India, and IFMR Channels, which provided financial services in rural areas in India.

In 2019, IFMR demerged and Accion’s ownership in IFMR was allocated between three new entities: Dvara KGFS a non-bank providing financial services to the base of the pyramid in India, Dvara Solutions Private Limited (“Dvara Solutions”) a financial services company providing technology services to financial institutions, and Northern Arc Capital Limited (“Northern Arc”) a non-bank providing debt to microfinance institutions and other financial service providers.

As part of the demerger of IFMR, Accion received 2,364,896 shares of Dvara KGFS in 2019. For the year ended December 31, 2020, Accion reported an increase in fair market value of \$650,969. For the year ended December 31, 2019, Accion reported a decrease in fair market value of \$2,948,463.

Accion’s ownership in Dvara Solutions is included in Other - investments in microfinance institutions with greater than 20% participation and Accion’s ownership in Northern Arc is disclosed below.

***ACCION Investment in Nigeria (AINV Nigeria) and ACCION Microfinance Bank Ltd. (“AMfB”)***

AINV Nigeria, a Cayman Islands holding company, owned AMfB, a private commercial bank providing financial services to micro and small businesses in Nigeria. In 2019, Accion purchased the remaining 49% minority shares of AINV Nigeria. In 2020, AINV Nigeria was dissolved and AMfB’s ownership was transferred to Accion. For the year ended December 31, 2019, Accion received from AINV Nigeria a dividend of \$141,023. For the year ended December 31, 2020, Accion reported a decrease in fair market value of \$ 603,107 in AMfB and for the year ended December 31, 2019 a decrease in fair market value of \$713,585 in AINV Nigeria.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

***Credinka S.A. (“Credinka”)***

Credinka is a non-bank Peruvian microfinance institution. For the years ended December 31, 2020 and 2019, Accion recorded an impairment of \$2,149,261 and \$2,023,125, respectively, reflected as unrealized losses.

***Basix Sub-K iTransactions Limited (“Sub-K”)***

Sub-K is a service company offering affordable, accessible and scalable digital payment solutions to the bottom of the pyramid segment in rural and urban areas in India. For the year ended December 31, 2020 Accion received a dividend of \$3,168.

***Northern Arc Capital Limited (“Northern Arc”)***

Northern Arc is a non-bank institution providing loans to microfinance institutions and other financial service providers in India. As part of the demerger of IFMR, Accion received 7,699,529 shares of Northern Arc in 2019.

***Azimo Limited (“Azimo”)***

Azimo, based in the UK, provides online lower cost overseas money transfer services to various locations including bank accounts, home delivery, mobile wallets or cash collection locations.

***Accion Frontier Inclusion Fund, L.P. (“AFIF”)***

AFIF was launched in October 2015 and is the first dedicated financial technology fund for the underbanked in emerging markets. Accion does not have the right to withdraw all or any portion of its capital and profits from AFIF until the end of its term. In 2020 and 2019, Accion invested \$2.4 million and \$3.7 million, respectively, in AFIF. In 2020 and 2019, Accion received \$3.5 million and \$1.4 million, respectively, in capital repayments from AFIF.

***Accion Quona Inclusion Fund, L.P. (“AQF”)***

AQF was launched in 2018 and is the second dedicated financial technology fund for the underbanked in emerging markets. Accion does not have the right to withdraw all or any portion of its capital and profits from AQF until the end of its term. In 2020 and 2019, Accion invested \$3.8 million and \$4.9 million, respectively, in AQF. In 2019, Accion received \$1.0 million in capital repayments from AQF.

***Self Lender, Inc (“Self”)***

Self is creating a responsible way for people to build credit and savings at the same time with a credit builder account.

***Konfio Limited (“Konfio”)***

Konfio is an online lending platform that uses innovative credit algorithms and alternative data analysis to help micro-businesses in Mexico who do not have access to credit obtain affordable working capital loans. In 2019, Accion sold 207,893 shares of Konfio.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

**Other**

Accion invests in several other microfinance institutions or other organizations providing products and technologies to support and complement the development of microfinance. The investments are individually under \$3 million and are recorded at fair value, NAV or measurement exception net of any temporary impairment. For the years ended December 31, 2020 and 2019, Accion did not receive a dividend from these investments.

**Venture Lab Portfolio**

In 2012 Accion launched Venture Lab, a seed-stage investment initiative for financial inclusion start-ups. As of December 31, 2020 and 2019, Accion had invested in 48 companies for a total cost of \$15 million and \$20 million, respectively. As of December 31, 2020 and 2019, Accion carried these purchases at the measurement exception, net of any impairment.

**NOTE 6 - RELATED PARTY TRANSACTIONS**

ACCION, the U.S. Network (the "U.S. Network"), was a network of microfinance institutions in the U.S. related to Accion through a brand licensing agreement. In February 2020, the U.S. Network combined its operations with Opportunity Fund Community Development, the largest microfinance institution in the US, creating Accion Opportunity Fund Inc ("AOF"). Accion provided accounting and information technology support to the U.S. Network through a shared services agreement and Accion's membership in the U.S. Network. Under this agreement, certain costs incurred by Accion were charged to the U.S. Network. Such amounts aggregated to \$14,832 in 2019. In 2020, Accion charged AOF \$5,500 through a brand licensing agreement and \$5,674 through a technical assistance contract. All amounts are reflected as contract revenue in the accompanying consolidated statements of activities.

ACCION East, formerly known as ACCION USA, was a member of the U.S. Network and shared office space with Accion in Cambridge, Massachusetts. The use and cost allocation of this shared office space as well as administrative support was administered through a shared services agreement. Under the agreement, certain salaries and occupancy expenses incurred by Accion were charged to ACCION East. Such amounts aggregated to \$15,299 and \$61,237 in 2020 and 2019, respectively, and are reflected as contract revenue in the accompanying consolidated statements of activities. In 2020, Accion East became Ascendus and is no longer sharing office space with Accion.

Quona Capital Management, Ltd ("Quona") was created in partnership with Accion for the purpose of providing investment services for AFIF, an investment held by Accion. Accion also provides information technology support to Quona through a shared service agreement. Under the agreement, certain salaries and technology costs incurred by Accion are charged to Quona. Such amount aggregated \$27,196 and \$18,364 in 2020 and 2019, respectively. Quona also provides portfolio management services to Accion through a management fee agreement. Under such agreement, Accion recorded management fees and related expenses of \$416,499 and \$442,872 for the years ended December 31, 2020 and 2019, respectively.

Accion Venture Lab, LP ("AVL") is a fund launched in April 2019 and created in partnership with Accion. AVL invests in financial technology start-ups that improve financial access for the globally underserved. In accordance with the partnership agreement, Accion co-invests alongside AVL on an agreed pro-rata basis. AVL, GP is the general partner and Accion is the investment manager. Under the partnership agreement, Accion provided investment management services to AVL in the amounts \$575,000 and \$431,250 for the years ended December 31, 2020 and 2019, respectively.

Related party transactions with AFIF and AQF are disclosed in Note 5.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

**NOTE 7 - INVESTMENTS PLEDGED AS GUARANTEE TO LETTERS OF CREDIT**

Investments pledged as guarantee to letters of credit (see Note 10) (at fair value) at December 31 consist of the following:

	<u>2020</u>	<u>2019</u>
Investments pledged as guarantee to letters of credit		
Cash and cash equivalents	\$ 2,857,810	\$ 1,411,075
U.S. Treasury	-	1,616,813
Certificate of deposits	-	364,374
	<u>\$ 2,857,810</u>	<u>\$ 3,392,262</u>

**NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Over the years, returns on program investments have enabled Accion to accumulate operating reserves which are invested in short-term investments (see Note 1). These operating reserves are used to fund new program investments and also fund program expenditures in excess of Accion's yearly operating revenue. As a result, Accion's annual budget allows for a recurring deficit. Accion can draw temporarily on a bank line of credit (see Note 10) in the event short-term investments cannot be immediately liquidated.

The following reflects Accion's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the consolidated statements of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2020</u>	<u>2019</u>
Current assets, excluding non-financial assets	\$ 106,104,236	\$ 99,660,530
Subtract: board-designated quasi-endowment	(5,047,080)	(5,476,621)
Add: release from board-designated quasi-endowment	<u>560,000</u>	<u>540,000</u>
Financial assets available to meet cash needs for general expenditures or program investments within one year	<u>\$ 101,617,156</u>	<u>\$ 94,723,909</u>

**NOTE 9 - INCOME TAXES**

The provision for income taxes for the years ended December 31 is comprised of the following:

	<u>2020</u>	<u>2019</u>
Current provision		
Foreign	\$ 12,641	\$ -
Provision for income taxes	<u>\$ 12,641</u>	<u>\$ -</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

**NOTE 10 - COMMITMENTS AND CONTINGENCIES*****Letters of Credit***

In order to obtain letters of credit used as collateral on bank loans made to affiliates globally, Accion has placed investments in certain accounts as a guarantee. These accounts are included in investments pledged as guarantee to letters of credit in the consolidated statements of financial position (see Note 7).

At December 31, 2020, Accion was no longer contingently liable for any letters of credit. As of December 31, 2019, Accion was contingently liable for letters of credit in the amount of \$1,030,000.

***Bank Line of Credit***

At December 31, 2020 and 2019 Accion had a \$25,000,000 and \$35,000,000 line of credit, respectively, with JPMorgan Chase Bank, N.A. ("JPMC"). The line of credit includes short-term advances made at JPMC's discretion, on mutually agreed terms determined from time to time. As of December 31, 2020 and 2019, there was no outstanding balance under the line of credit.

***Capital Calls***

For the years ended December 31, 2020 and 2019, Accion had \$16,123,638 and \$22,220,000, respectively, in capital call commitments with investment affiliates. The balance will be disbursed on an as-needed basis.

***Operating Leases***

Accion leases office space in various countries in which they operate. These leases expire over periods ranging from June 2020 through May 2025. The remaining net minimum payment obligation under these leases is as follows:

2021	\$ 1,381,995
2022	1,363,077
2023	1,398,233
2024	1,093,821
2025	320,898
Thereafter	-
	<hr/>
Total	\$ 5,558,024
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Rent expense was \$1,240,244 and \$1,130,664 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 11 - EMPLOYEE BENEFIT PLAN**

Accion has established a defined contribution retirement plan which is available to substantially all salaried employees. Accion's contribution to this plan is based on a percentage of participant salaries and totaled \$637,554 and \$638,386 in 2020 and 2019, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

**NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions have been restricted by donors to be used in a specific time period, for a specific location, or scope of work. Net assets with donor restrictions are available as of December 31 for the following purposes:

	2020	2019
Global programs	\$ 8,621,410	\$ 12,226,218
Global investments	1,078,503	2,491,693
Fundraising	1,109,513	67,087
Center for Financial Inclusion	3,219,906	5,233,984
	<u>14,029,332</u>	<u>20,018,982</u>
Total	\$ 14,029,332	\$ 20,018,982

**NOTE 13 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject Accion to concentrations of credit risk are investments, cash equivalents, and other interest-bearing investments. Approximately 33% and 34% of Accion's program investments are invested in the common stock of BancoSol, a Bolivian-based bank (see Note 5) as of December 31, 2020 and 2019, respectively. In addition, one donor represented 81% and 89% of contributions receivable as of December 31, 2020 and 2019, respectively.

**NOTE 14 - SUBSEQUENT EVENTS**

Management has reviewed the Company's operations for potential disclosure or financial statement impacts related to events occurring after December 31, 2020 through August 31, 2021, the date of issuance of these consolidated financial statements.