COMBINED FINANCIAL STATEMENTS

PRO MUJER INTERNATIONAL

FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013

PRO MUJER INTERNATIONAL

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Pro Mujer, Inc.
Washington, D.C.

To the Board of Directors
Pro Mujer International
Washington, D.C.

We have audited the accompanying combined financial statements of Pro Mujer International, which comprise the combined statements of financial position as of December 31, 2014 and 2013, and the related combined statements of activities and changes in net assets, combined functional expenses, and combined cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 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 combined financial statements based on our audits. We did not audit the financial statements of Pro Mujer – Argentina, Pro Mujer – Bolivia, Pro Mujer– Mexico, Pro Mujer – Nicaragua and Pro Mujer – Peru, which reflect total assets of approximately $163,000,000 and $166,000,000 as of December 31, 2014 and 2013, respectively, and total expenses of approximately $43,000,000 and $40,000,000 respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for Pro Mujer – Argentina, Pro Mujer – Bolivia, Pro Mujer – Mexico, Pro Mujer – Nicaragua and Pro Mujer – Peru are based solely on the reports of the other auditors. 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 audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Pro Mujer International's preparation and fair presentation of the combined 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 Pro Mujer International'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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of other auditors, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Pro Mujer International as of December 31, 2014 and 2013, and the combined changes in its net assets and its combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combining Schedule of Financial Position on page 26 and the Combining Schedule of Activities and Change in Net Assets on page 27 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Gelman Rozenberg & Freedman

September 22, 2015

PRO MUJER INTERNATIONAL

COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 AND 2013

ASSETS

	2014	2013
Cash and cash equivalents (Note 2)	$ 33,002,285	$ 38,636,140
Restricted cash held in escrow (Note 8)	4,306,627	5,062,585
Investments (Notes 3 and 14)	587,806	865,091
Accounts receivable	214,107	475,128
Loans receivable, net of allowance for doubtful accounts of $3,787,519 and $5,336,287 for 2014 and 2013, respectively (Note 4)	124,415,304	121,278,335
Interest and commissions receivable	2,882,981	2,574,078
Grants and pledges receivable (Note 5)	2,872,586	2,190,002
Property and equipment, net of accumulated depreciation and amortization of $5,589,763 and $4,527,131 for 2014 and 2013, respectively (Note 6)	5,720,901	5,769,738
Intangible assets, net of accumulated amortization of $2,305,501 and $1,494,655 for 2014 and 2013, respectively	1,717,348	2,220,963
Other assets	1,177,844	2,490,810
TOTAL ASSETS	**$176,897,789**	**$181,562,870**

LIABILITIES AND NET ASSETS

	2014	2013
LIABILITIES		
Notes payable (Note 7)	$ 97,564,803	$101,174,945
Guarantees payable (Note 8)	6,307,130	7,325,527
Accounts payable and accrued liabilities (Note 15)	9,684,407	10,335,355
Interest payable	1,010,928	950,846
Income taxes payable	1,467,586	1,028,781
Total liabilities	116,034,854	120,815,454
NET ASSETS		
Unrestricted	53,974,201	56,090,400
Temporarily restricted (Note 9)	6,504,254	4,282,872
Permanently restricted (Note 10)	384,480	374,144
Total net assets	60,862,935	60,747,416
TOTAL LIABILITIES AND NET ASSETS	**$176,897,789**	**$181,562,870**

See accompanying notes to combined financial statements.

PRO MUJER INTERNATIONAL

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
FINANCIAL REVENUE - INTEREST								
Interest and commissions:	$							
From loans	54,844,859	$ -	$ -	$ 54,844,859	$ 56,808,713	$ -	$ -	$ 56,808,713
From cash and cash equivalents	292,730	-	-	292,730	471,102	-	-	471,102
	55,137,589	-	-	55,137,589	57,279,815	-	-	57,279,815
FINANCIAL EXPENSES								
Interest expense	(9,430,776)	-	-	(9,430,776)	(9,523,012)	-	-	(9,523,012)
Loss on translation	(2,094,457)	-	-	(2,094,457)	(1,900,175)	-	-	(1,900,175)
	(11,525,233)	-	-	(11,525,233)	(11,423,187)	-	-	(11,423,187)
Net financial revenues, before allowance for loan losses	43,612,356	-	-	43,612,356	45,856,628	-	-	45,856,628
Allowance for loan losses (Note 4)	(3,204,327)	-	-	(3,204,327)	(3,166,082)	-	-	(3,166,082)
Financial Revenue, Net	40,408,029	**-**	**-**	40,408,029	**42,690,546**	**-**	**-**	**42,690,546**
CONTRIBUTIONS AND OTHER REVENUE								
Grants and contributions	680,415	7,115,528	10,336	7,806,279	1,794,791	4,989,608	-	6,784,399
In-kind contributions	169,794	-	-	169,794	405,111	-	-	405,111
Net assets released from restrictions (Note 9)	4,894,146	(4,894,146)	-	-	4,799,528	(4,799,528)	-	-
Other program revenue	4,064,531	-	-	4,064,531	1,955,361	-	-	1,955,361
Total Contributions and Other Revenue	9,808,886	2,221,382	10,336	12,040,604	8,954,791	190,080	-	9,144,871
Operating Revenue, Net	**50,216,915**	**2,221,382**	**10,336**	**52,448,633**	**51,645,337**	**190,080**	**-**	**51,835,417**
PROGRAM AND SUPPORTING EXPENSES								
Credit and Other Program Services	48,296,574	-	-	48,296,574	44,613,744	-	-	44,613,744
Management and General	1,816,637	-	-	1,816,637	2,634,851	-	-	2,634,851
Fundraising and Development	1,047,340	-	-	1,047,340	1,296,262	-	-	1,296,262
Total Program and Supporting Expenses	**51,160,551**	**-**	**-**	**51,160,551**	**48,544,857**	**-**	**-**	**48,544,857**
Changes in net assets before income taxes	(943,636)	2,221,382	10,336	1,288,082	3,100,480	190,080	-	3,290,560
Income taxes	(1,172,563)	-	- -	(1,172,563)	(1,108,333)	-	- -	(1,108,333)
Changes in net assets	(2,116,199)	2,221,382	10,336	115,519	1,992,147	190,080	-	2,182,227
Net assets, beginning of year	56,090,400	4,282,872	374,144	60,747,416	54,098,253	4,092,792	374,144	58,565,189
NET ASSETS, END OF YEAR	**$53,974,201**	**$ 6,504,254**	**$384,480**	**$ 60,862,935**	**$ 56,090,400**	**$ 4,282,872**	**$374,144**	**$ 60,747,416**

See accompanying notes to combined financial statements.

EXHIBIT C

PRO MUJER INTERNATIONAL

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014				2013			
	Credit and Other Program Services	Management and General	Fundraising and Development	Total	Credit and Other Program Services	Management and General	Fundraising and Development	Total
Salaries	$21,353,766	$ 859,622	$ 626,382	$22,839,770	$18,649,272	$1,036,643	$ 684,193	$20,370,108
Fringe benefits (Note 12)	8,308,228	212,016	125,894	8,646,138	8,008,015	139,228	149,193	8,296,436
Professional fees	2,117,538	427,449	92,126	2,637,113	1,305,179	783,207	69,753	2,158,139
Travel and transportation	1,228,078	121,930	48,750	1,398,758	1,236,643	178,492	45,060	1,460,195
Office supplies and expenses	2,520,046	58,270	42,998	2,621,314	3,596,677	150,374	29,926	3,776,977
Rent and utilities (Note 13)	4,474,402	62,663	41,795	4,578,860	3,818,556	216,924	8,711	4,044,191
Printing and copying	357,687	2,889	29,955	390,531	324,358	10,073	2,632	337,063
Vehicles, registration and insurance	1,910,177	-	-	1,910,177	1,316,262	-	-	1,316,262
Training and professional development	775,326	12,094	2,078	789,498	950,630	-	-	950,630
Depreciation and amortization	2,279,605	13,402	9,408	2,302,415	1,589,183	61,671	-	1,650,854
Events and advertising	31,506	2,915	2,329	36,750	25,792	18,974	244,625	289,391
Tax penalty (Peru)	-	-	-	-	1,078,601	-	-	1,078,601
Other	2,940,215	43,387	25,625	3,009,227	2,714,576	39,265	62,169	2,816,010
TOTAL	**$48,296,574**	**$1,816,637**	**$1,047,340**	**$51,160,551**	**$44,613,744**	**$2,634,851**	**$1,296,262**	**$48,544,857**

See accompanying notes to combined financial statements.

PRO MUJER INTERNATIONAL

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 115,519	$ 2,182,227
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,302,415	1,650,854
Realized gain on sale of investments	(8,661)	(7,566)
Unrealized loss (gain) on investments	7,331	(43,739)
Loan principal forgiven	(350,000)	(50,000)
Decrease in allowances for doubtful accounts	1,548,768	1,134,156
(Increase) decrease in present value discount on grants and pledges receivable	(3,230)	54,505
Loss on disposal of furniture and equipment	24,861	102,849
Change in valuation of capital assets	64,439	51,447
Change in valuation of intangible assets	(47,547)	-
Change in valuation of guarantee payable	(256,414)	-
Change in valuation of notes payable	(2,828,319)	(2,215,559)
(Increase) decrease in:		
Restricted cash held in escrow	755,958	(4,763,427)
Accounts receivable	261,021	1,113,859
Interest and commissions receivable	(308,903)	(817,022)
Grants and pledges receivable	(679,354)	533,955
Other assets	1,312,966	(444,509)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(650,948)	4,074,452
Interest payable	60,082	(538,405)
Income taxes payable	438,805	294,997
Net cash provided by operating activities	1,758,789	2,313,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(462,013)	(854,798)
Proceeds from sales/maturities of investments	740,628	277,675
Purchase of property and equipment	(1,365,118)	(3,429,424)
Purchases of intangible assets	(426,598)	(957,847)
Net increase in loans receivable	(4,685,737)	(4,272,862)
Net cash used by investing activities	(6,198,838)	(9,237,256)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	50,949,165	34,273,554
Proceeds from guarantees payable	-	5,084,671
Payments on guarantees payable	(761,983)	-
Principal payments on notes payable	(51,380,988)	(27,011,592)
Net cash (used) provided by financing activities	(1,193,806)	12,346,633
Net (decrease) increase in cash and cash equivalents	(5,633,855)	5,422,451
Cash and cash equivalents at beginning of year	38,636,140	33,213,689
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 33,002,285**	**$ 38,636,140**
SUPPLEMENTAL FINANCIAL INFORMATION:		
Interest Paid	**$ 9,370,694**	**$10,471,131**
Income Taxes Paid	**$ 733,758**	**$ 813,336**

See accompanying notes to combined financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Pro Mujer International consists of the following entities:

- Pro Mujer, Inc. - incorporated as a non-profit organization under the laws of the United States and includes the operations of Pro Mujer – New York, Pro Mujer – Bolivia (ONG), Pro Mujer – Nicaragua (ONG) and Pro Mujer – Peru.
- Asociacion Promujer de Mexico, A. C. (Pro Mujer – Mexico) - incorporated as a non-profit organization under the laws of Mexico.
- Pro Mujer Mexico Apoyo, A.C. (Pro Mujer – Mexico ONG) - incorporated as a non-profit organization under the laws of Mexico.
- Fundacion Pro Mujer Argentina (Pro Mujer – Argentina) - incorporated as a non-profit organization under the laws of Argentina.
- Fundacion Pro Mujer (Pro Mujer – Bolivia IFD) - incorporated under the laws of Bolivia as a commercial organization.
- Pro Mujer Nicaragua, LLC (Pro Mujer – Nicaragua) - incorporated as a limited liability corporation under the laws of the state of Delaware in the United States of America.

All of the aforementioned entities are under common control and are organized to empower women in Latin America.

Basis of presentation -

The combined financial statements include the activities of Pro Mujer, Inc. (including Pro Mujer – New York, Pro Mujer – Bolivia (ONG), Pro Mujer – Nicaragua (ONG) and Pro Mujer – Peru), Pro Mujer – Mexico, Pro Mujer – Argentina, Pro Mujer – Bolivia (IFD) and Pro Mujer Nicaragua, LLC. All significant intercompany transactions have been eliminated in combination.

The accompanying combined financial statements are presented on the accrual basis of accounting and in accordance with FASB ASC 958-810, *Not-For-Profit-Entities, Consolidation*.

Cash and cash equivalents -

For combined financial statement purposes, Pro Mujer International considers money market accounts and funds invested with local banks in foreign countries (see Note 2), including short-term certificates of deposit, to be cash equivalents.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in financial revenue - interest from cash and cash equivalents in the Combined Statements of Activities and Changes in Net Assets. Investments consisted of cash and cash equivalents, mutual funds and equities, all of which are valued as Level 1 investments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Interest, commissions and accounts receivable -

Interest and commissions receivable represent amounts due currently on loans and advances to customers. Accounts receivable is comprised of advances to staff and amounts due from suppliers. All amounts are stated at fair value.

Management has established an allowance for doubtful accounts with respect to accounts receivable. Interest and commissions receivable is considered fully collectible.

Grants and pledges receivable -

Grants and pledges receivable approximate fair value. Management considers all amounts to be fully collectible.

Property and equipment -

Property and equipment (physical assets in excess of $3,000 for U.S. acquisitions and no threshold for overseas acquisitions) are measured at cost basis and recorded as capital assets. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to twenty years. The cost of maintenance and repairs is recorded as expenses are incurred.

Intangible assets -

Computer software development costs and related licenses (in excess of $3,000 for U.S. acquisitions and no threshold for overseas acquisitions) are recognized as capital assets and are amortized over the estimated useful lives of the related assets, generally two to five years.

Income taxes -

Pro Mujer, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Pro Mujer, Inc. includes the operations of Pro Mujer – New York, Pro Mujer – Bolivia (ONG), Pro Mujer – Nicaragua (ONG) and Pro Mujer – Peru.

Pro Mujer – Argentina is exempt from Argentinean income taxes in accordance with Argentinean tax law as it relates to non-profit organizations operating in Argentina.

Pro Mujer Mexico Apoyo, A.C. is exempt from Mexican income taxes in accordance with Mexican tax law as it relates to non-profit organizations operating in Mexico.

Asociacion Pro Mujer de Mexico, A.C., is subject to income tax of 30% on net current earnings. Asociacion Pro Mujer de Mexico, A.C. incurred income tax expense of $217,734 during 2014.

Pro Mujer – Bolivia (IFD) is subject to income taxes on net current earnings at a rate of 25%. Pro Mujer – Bolivia (IFD) incurred income tax expense of $758,837 during 2014.

Pro Mujer Nicaragua, LLC is subject to income taxes in accordance with Nicaraguan law which requires that income taxes are calculated based on the greater of either one (1) percent of total net assets or 30% of net taxable income. Pro Mujer Nicaragua, LLC incurred income tax expense of $195,992 during 2014.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Income taxes (continued) -

Income tax expense ($1,172,563 for 2014 and $1,108,333 for 2013) has been reported as a separate line item in the accompanying Combined Statement of Activities and Changes in Net Assets for those entities that are subject to income taxes (Asociacion Pro Mujer de Mexico, A.C., Pro Mujer - Bolivia (IFD) and Pro Mujer Nicaragua, LLC).

Uncertain tax positions -

For the years ended December 31, 2014 and 2013, Pro Mujer International has documented its consideration of FASB ASC 740-10 (Income Taxes) and determined that there is an uncertain tax position with respect to Pro Mujer – Peru which is discussed in the next paragraph.

As of December 31, 2014 and 2013, the Superintendencia Nacional de Administracion Tributaria (SUNAT) (Peruvian Internal Revenue Service) did not grant Pro Mujer – Peru's request to renew its Exempted Entity Income Tax Certificate. Such Certificate is necessary for Pro Mujer – Peru to not pay income tax in Peru. SUNAT has argued, that given that Pro Mujer – Peru amended its bylaws back in 2007, and given the wording of the amended bylaws, it can be construed in such a way that the tax exemption is not applicable as of 2007; thus, Pro Mujer – Peru's tax exemption has been revoked as of 2007 and onwards; exposing Pro Mujer – Peru to a contingent liability for all income tax due for the years ended December 31, 2007 through December 31, 2012. Currently, SUNAT is seeking approximately $1,500,000 in income taxes for the years ended December 31, 2007 and 2008. In addition, Pro Mujer – Peru is currently under review by the SUNAT for the years ended 2009-2013; there has been no request for payment for these years yet. However, management of Pro Mujer – Peru, with the assistance of legal counsel, is vigorously contesting SUNAT's position of revocation of its Exempted Entity Income Tax Certificate, and to date, has been successful in having the request for payment of the 2007 and 2008 income taxes suspended pending the outcome of a hearing on the matter before the Tax Tribunal.

There are no other uncertain tax positions which require disclosure or recognition within the combined financial statements with respect to the other entities.

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of Pro Mujer International and include both internally designated and undesignated resources.

- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of Pro Mujer International and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Combined Statements of Activities and Changes in Net Assets as net assets released from restrictions.

- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by Pro Mujer International.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Grants and contributions -

Unrestricted and temporarily restricted grants and contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted grants and contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying combined financial statements.

Use of estimates -

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the program services and supporting services is summarized on a functional basis in the Combined Schedule of Functional Expenses. Certain costs have been allocated among program services benefited.

Foreign currency translation -

The Dollar ("Dollars") is the functional currency for Pro Mujer International's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into Dollars at the exchange rate in effect at the date of the Combined Statements of Financial Position.

Allowances for impairment -

Pro Mujer International utilizes an allowance for impairment losses that represents its estimate of expected losses of its total loan portfolio. Management requires a minimum of two (2) percent loan loss allowance for all loans outstanding. This allowance is adjusted based upon set percentages of estimated recovery rates of past due loans. The exact calculation varies from country to country in accordance with local regulation and involves management's best estimate of the timing and amount of future cash flows to be collected.

At December 31, 2014 and 2013, the allowance for doubtful accounts was $3,787,519 and $5,336,287, respectively.

Write-off policy -

Pro Mujer International will write-off a loan (and any related allowance for impairment losses) when management determines that the loans and advances to customer are uncollectable. Such loans and advances are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Each country has policies in place to determine the amount of loss in accordance with the laws and regulations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Market risk -

Market risk is defined as external influences, generally outside of the control of Pro Mujer International's executive management, but which can be identified, assessed and mitigating actions put in place to reduce any adverse impact.

Credit risk -

Credit risk is the risk of financial loss to Pro Mujer International if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Pro Mujer International's lending activity.

Pro Mujer International takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Allowances for impairment are accounted for where there is objective evidence that the loans and advances to customers are impaired.

Significant changes in the economy, depreciation of local currencies against the currencies of the indexed portfolios, or in the health of a particular industry segment, could result in evidence that the expected future cash flows are different from those provided for at the end of the reporting period. Management, therefore, carefully monitors and manages its exposure to credit risk.

Interest rate risk -

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Pro Mujer International takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a results of such changes, but may reduce or create losses in the event that unexpected movements arise. Management sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored monthly.

The loans receivables as well as notes payable are at fixed interest rates. The loans receivables mature much faster than the related borrowings, a fact that allows Pro Mujer International to adjust the fixed interest of its receivables to market conditions.

As part of its financing strategy, Pro Mujer International also seeks to attract longer term, fixed-rate financing.

Currency risk -

Pro Mujer International is exposed to currency risk through transactions in foreign currencies against the US Dollar. There is also a statement of financial position risk that the net monetary liabilities in foreign currencies will take a higher value when translated into US Dollars as a result of foreign currency movements. Management actively monitors currency risk exposure and has a strategy in place to mitigate currency risk in each country.

Operational environment risk -

Within the last year, the banking sector faced a sovereign debt crisis triggered by significant fiscal disequilibria and large public debt positions in several countries.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Operational environment risk (continued) -

The ongoing fears that the deteriorating financial conditions could contribute, at a later stage to a further retrenchment in confidence, prompted coordinated efforts of governments and central banks to adopt special measures aimed at countering the vicious circle of growing risk aversion and to helping restore normal market functioning.

The identification and valuation of investments influenced by the illiquid market conditions, the determination of compliance with debt agreements and other contract covenants, and the evaluation of significant uncertainties, including uncertainties associated with an entity's ability to continue as a going concern for a reasonable period of time, bring their own challenges. The effects of these on the financial markets have been seen in the form of volatility of the foreign exchange rates and an increase in the country's credit default swap.

The debtors of Pro Mujer International may also be affected by the lower liquidity and solvency situations, which could in turn impact their ability to repay their outstanding loans. Deteriorating operating conditions for customers may also have an impact on the management of cash flow forecasts and assessments of the impairment of financial and non-financial assets. To the extent that information is available, management has reflected revised estimates of expected future cash flows in its impairment assessment.

Management is unable to predict all development which could have an impact on the foreign financial institutions sector and, consequently, what effect, if any, they could have on these combined financial statements.

Liquidity risk -

Liquidity risk is the risk that a company will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. To mitigate this risk, management has diversified funding sources and assets are managed with a liquidity approach, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities. Management monitors the maturity profile of its financial assets and liabilities to ensure that adequate liquidity is maintained. The average loan term is less than 12 months.

Fair value measurement -

Pro Mujer International adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Pro Mujer International accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Reclassification -

Certain amounts in the prior year's combined financial statements have been reclassified to conform to the current year's combined presentation. These reclassifications had no effect on the previously reported combined changes in net assets.

2. CONCENTRATION OF CREDIT RISK

At times, Pro Mujer International maintains cash balances at financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal. Pro Mujer International maintains significant cash balances for short periods of time prior to transferring funds to the country field offices.

Pro Mujer International had approximately $23,000,000 and $31,000,000 of cash and cash equivalents held at financial institutions in foreign countries at December 31, 2014 and 2013, respectively. The majority of funds invested in foreign countries is uninsured.

3. INVESTMENTS

Investments consisted of the following at December 31, 2014 and 2013:

	Fair Value	
	2014	**2013**
Cash and money market funds	$ 10,550	$ 14,066
Mutual funds	489,356	176,596
Equities	87,900	91,339
Bonds and certificates of deposit	-	583,090
	$587,806	**$865,091**

4. LOANS RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

Loans receivable include loans made by Pro Mujer International to low-income individuals or families in Argentina, Bolivia, Mexico, Nicaragua and Peru. The average amount of the outstanding loans at December 31, 2014 and 2013 was $483 and $448, respectively.

The outstanding loans, the majority of which are at the prevailing market interest rates ranging between 2.7% and 7.5% per month, mature at various times over the next nine to twelve months and are disbursed and repaid in either U.S. Dollars or the local currency of the respective country.

As of December 31, 2013 and 2012, the balance of loans receivable, by country, were classified as either current or delinquent. The delinquent amounts represent loans past due over 30 days (for financial statement presentation, all loans receivable are considered short-term in nature).

Following is a summary of loans receivable, by country/region, as of December 31, 2014 and 2013:

	2014			**2013**		
Country/Region	**Current**	**Delinquent**	**Total**	**Current**	**Delinquent**	**Total**
Nicaragua:						
Leon	$ 2,903,000	$ 42,263	$ 2,945,263	$ 4,029,147	$ 34,082	$ 4,063,229
Chinandega	3,585,168	42,510	3,627,678	4,404,945	77,338	4,482,283
Managua	3,785,163	83,827	3,868,990	4,310,394	18,420	4,328,814
Matagalpa	674,857	25,515	700,372	1,060,580	14,179	1,074,759
Masaya	4,236,597	7,368	4,243,965	4,220,146	7,198	4,227,344
Estelí	745,718	482	746,200	495,096	1,185	496,281
Jinotega	392,090	-	392,090	245,094	1,064	246,158
Less: Allowance	-	-	(346,577)	-	-	(377,495)
Subtotal - Nicaragua	16,322,593	201,965	16,177,981	18,765,402	153,466	18,541,373

4. LOANS RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES (Continued)

	2014			2013		
Country/Region	**Current**	**Delinquent**	**Total**	**Current**	**Delinquent**	**Total**
Bolivia:						
El Alto	$ 13,552,734	$ 59,577	$ 13,612,311	$ 11,071,288	$ 74,162	$ 11,145,450
Cochabamba	9,824,267	42,245	9,866,512	7,659,690	48,173	7,707,863
Tarija	4,978,114	49,376	5,027,490	4,506,806	53,048	4,559,854
Potosi, Santa Cruz and Oruro	26,187,914	208,921	26,396,835	20,972,910	317,837	21,290,747
Beni	4,528,118	167,457	4,695,575	5,388,919	189,461	5,578,380
La Paz	3,206,194	138,345	3,344,539	4,083,564	99,221	4,182,785
Sucre	3,229,062	59,480	3,288,542	3,517,764	27,956	3,545,720
Pando	838,413	5,527	843,940	452,527	105,624	558,151
Less: Allowance	-	-	(1,510,118)	-	-	(1,969,101)
Subtotal - Bolivia	66,344,816	730,928	65,565,626	57,653,468	915,482	56,599,849
Mexico:						
Hidalgo	4,146,798	285,310	4,432,108	5,149,953	186,840	5,336,793
Puebla	888,110	112,196	1,000,306	901,158	106,814	1,007,972
Tlaxcala	215,045	24,059	239,104	332,388	15,111	347,499
Veracruz	710,519	79,158	789,677	705,694	117,107	822,801
Estado de México	8,298,885	283,411	8,582,296	7,374,723	257,579	7,632,302
DF	1,367,261	78,928	1,446,189	1,160,437	18,691	1,179,128
Querétaro	276,380	21,706	298,086	325,032	20,735	345,767
Oaxaca	506,106	40,438	546,544	174,278	4,979	179,257
Guanajuato	95,919	34,169	130,088	131,201	36,143	167,344
Less: Allowance	-	-	(961,142)	-	-	(814,685)
Subtotal - Mexico	16,505,023	959,375	16,503,256	16,254,864	763,999	16,204,178
Argentina:						
Salta	2,499,169	-	2,499,169	2,579,110	589	2,579,698
JuJuy	748,142	-	748,142	931,602	-	931,602
Tucuman	387,217	60	387,277	606,190	-	606,190
Less: Allowance	-	-	(109,036)	-	-	(124,218)
Subtotal - Argentina	3,634,528	60	3,525,552	4,116,902	589	3,993,273
Peru:						
Puno	6,990,192	305,354	7,295,546	8,858,431	543,553	9,401,989
Tacna	5,218,053	145,431	5,363,484	6,952,950	544,331	7,497,281
Apurimac, Abancay and Anda' Huaylas'	1,122,360	15,668	1,138,028	978,612	27,662	1,006,274
Arequipa	2,331,866	85,193	2,417,059	2,291,737	212,090	2,503,827
Cusco	1,933,658	45,335	1,978,993	1,750,504	101,930	1,852,434
Ayacucho	52,731	19,182	71,913	113,786	38,269	152,050
Casamarca	363,524	16,468	379,992	371,413	4,049	375,462
Ancash	448,823	25,803	474,626	435,982	3,765	439,747
Moquegua	2,834,500	116,931	2,951,431	3,418,971	468,739	3,887,710
Loreto	258,386	4,737	263,123	167,905	954	168,859
San Martin	615,997	52,568	668,565	411,663	851	412,514
Cartera del Personal O.N. and Agencia Huamanga	489,674	11,101	500,775	285,363	6,940	292,303
Less: Allowance	-	-	(860,646)	-	-	(2,050,788)
Subtotal - Peru	22,659,764	843,771	22,642,889	26,037,317	1,953,133	25,939,662
TOTAL	**$125,466,724**	**$2,736,099**	**$124,415,304**	**$122,827,953**	**$3,786,669**	**$121,278,335**

4. LOANS RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES (Continued)

Following is an analysis of the change in the allowance accounts by country for the years ended December 31, 2014 and 2013:

	Nicaragua	Bolivia	Mexico	Argentina	Peru	Total
Balance at 12/31/12	$(311,997)	$(1,499,390)	$(705,251)	$ (97,312)	$(1,588,181)	$(4,202,131)
Increase in allowance for non-performing loans	(172,710)	(940,580)	(519,257)	(84,965)	(1,448,570)	(3,166,082)
Loans directly written off	88,221	411,450	405,656	50,124	985,963	1,941,414
Exchange rate fluctuation	18,991	59,419	4,167	7,935	-	90,512
Balance at 12/31/13	(377,495)	(1,969,101)	(814,685)	(124,218)	(2,050,788)	(5,336,287)
Increase in allowance for non-performing loans	(345,302)	(348,787)	(818,518)	(18,840)	(1,576,472)	(3,107,919)
Loans directly written off	366,953	809,294	579,749	3,934	2,595,568	4,355,498
Exchange rate fluctuation	9,267	(1,524)	92,312	30,088	171,046	301,189
BALANCE AT 12/31/14	**$(346,577)**	**$(1,510,118)**	**$(961,142)**	**$(109,036)**	**$ (860,646)**	**$(3,787,519)**

5. GRANTS AND PLEDGES RECEIVABLE

Grants receivable consists of awards from various foundations and corporations. All payments are expected to be collected during the following 12 months, unless otherwise stipulated by the donor. Total grants receivable at December 31, 2014 and 2013 were $2,843,251 and $2,187,687, respectively.

Pledges receivable consists of commitments made to Pro Mujer International from individuals. Total pledges receivable were $71,250 and $45,000 at December 31, 2014 and 2013, respectively.

Following is a schedule, by maturity year, of grants and pledges receivable at December 31, 2014 and 2013:

Year Ending December 31,	2014	2013
2014	$ -	$1,094,687
2015	1,839,501	934,000
2016	700,000	200,000
2017	375,000	-
	2,914,501	2,228,687
Less: Discount for present value	(41,915)	(38,685)
	$2,872,586	**$2,190,002**

6. PROPERTY AND EQUIPMENT

As of December 31, 2014 and 2013, property and equipment consisted of the following:

	2014	2013
Land	$ 291,511	$ 230,217
Buildings and improvements	1,730,177	1,528,082
Furniture and office equipment	4,517,471	3,810,293
Computer equipment	3,330,451	3,377,820
Vehicles	1,422,436	1,350,457
	11,292,046	10,296,869
Less Accumulated depreciation and amortization	(5,571,145)	(4,527,131)
PROPERTY AND EQUIPMENT, NET	**$ 5,720,901**	**$ 5,769,738**

7. NOTES PAYABLE

Pro Mujer International has entered into note agreements with various organizations. As of December 31, 2014 and 2013, the total liability to these organizations aggregated $97,564,803 and $101,174,945, respectively.

Notes payable consisted of the following at December 31, 2014 and 2013:

	2014	2013
Pro-Mujer – Argentina:		
BID	$ 145,463	$ 224,042
Banco Hipotecario	-	165
Planis	-	578
Okiocredit	493,471	812,539
Foncap	569,509	818,821
CRESUD, S.P.A.	25,000	130,482
ADA	175,233	361,509
Triple Jump	273,042	375,546
Subtotal - Argentina	1,681,718	2,723,682
Pro Mujer - Nicaragua:		
WCCN	-	292,123
INCOFIN	902,310	947,426
NOVIB	-	651,634
NOVIB	750,000	1,000,000
NOVIB	-	500,000
NOVIB	1,492,595	-
Whole Planet Foundation	-	272,376
Symbiotics	934,267	980,980
Global Partnerships (2013)	949,493	996,968
Global Partnerships (2008)	-	600,000
Global Partnerships (2010)	-	500,000
Global Partnerships (2015)	1,973,803	-
CRESUD, S.P.A.	300,000	500,000
Luxembourg Microfinance and Development Fund	281,972	394,760
Omtrix	-	600,000
Social Alpha Investments Fund	-	300,000

7. NOTES PAYABLE (Continued)

	2014	2013
Pro Mujer – Nicaragua (continued):		
Symbiotics	$ 825,000	$ 1,106,000
Locfund	89,813	471,516
Responsibility	904,735	949,972
Blue Orchard Finance	678,551	1,424,958
Luxembourg Microfinance and Development Fund	650,000	650,000
Blue Orchard Finance	1,885,760	1,980,049
Subtotal – Nicaragua	12,618,299	15,118,762
Pro Mujer – Bolivia (IFD):		
Banco Bisa (6)	-	1,500,000
Banco Bisa (7)	-	3,000,000
Banco Bisa (9)	4,000,000	-
Banco Bisa (10)	2,000,000	-
Banco de Credito S.A. (3)	-	1,200,000
Banco de Credito S.A. (4)	1,500,000	-
Banco Interamercano de Desarrollo (BID)	284,868	398,815
Blue Orchard (2)	1,833,333	2,750,000
Blue Orchard (3)	1,500,000	2,250,000
Developing World Market (1)	-	1,007,289
Developing World Market (2)	-	1,007,289
Developing World Market (3)	-	1,014,577
Developing World Market (4)	1,014,577	1,014,577
Fortaleza (4)	1,020,408	1,020,408
Fortaleza (5)	437,318	-
Fortaleza (6)	291,545	-
Fortaleza (7)	291,545	-
Global Partnerships (1)	-	2,000,000
Kiva	522,843	688,883
Oikocredit (1)	444,444	888,888
Oikocredit (2)	-	800,000
Oikocredit (3)	2,727,273	3,000,000
Oikocredit (4)	3,000,000	-
SAFI CAPITAL (1)	2,682,216	4,023,324
SAFI CAPITAL (2)	-	2,040,816
SAFI CAPITAL (3)	583,090	-
SAFI CAPITAL (4)	728,863	-
SAFI CAPITAL (5)	728,863	-
SAFI CAPITAL (6)	218,659	-
SAFI CAPITAL (7)	364,432	-
SAFI CAPITAL (8)	583,090	-
SAFI BISA (1)	1,967,930	2,623,907
SAFI BISA (2)	1,967,930	2,623,907
SAFI BISA (3)	2,623,907	-
SAFI BISA (4)	728,863	-
Symbiotics	-	1,510,933
Symbiotics Sicav (LUX) SEBMF	2,014,577	-
Symbiotics Sicav (LUX) SESF	503,644	-
Symbiotics Sicav (LUX) SESF	755,466	-
Finethic S.C.A. SICAV-SIF	755,466	-

7. NOTES PAYABLE (Continued)

	2014	2013
Pro Mujer – Bolivia (IFD) (continued):		
Symbiotics Sicav (LUX) SEBMF	$ 1,000,000	$ -
Triple Jump	2,000,000	2,000,000
Whole Planet	-	350,000
Responsibility SIVAC (Microfinance)	-	510,933
Responsibility SIVAC (Finance Inclusion)	-	510,933
Responsibility SIVAC (Global Microfinance) Fund	-	1,021,866
Responsability Microfinanz Fonds II	500,000	-
Responsability Financial Inclusion II	500,000	-
Responsability Global Microfinance II	1,000,000	-
Responsability Microfinanz Fonds (Roll Over)	253,618	-
Responsability Financial Inclusion (Roll Over)	253,618	-
Responsability Global Microfinance (Roll Over)	507,236	-
Banco Nacional de Bolivia (1)	-	1,994,169
Banco Nacional de Bolivia III	2,000,000	-
Banco Unión	2,000,000	-
CAF	1,263,363	1,895,043
Subtotal – Bolivia (IFD)	49,352,985	44,646,557
Pro Mujer – Bolivia (ONG):		
Fondesif	-	406,244
Subtotal – Bolivia (ONG)	-	406,244
Pro Mujer – Mexico:		
Grameen Foundation	-	60,753
Global Partnerships	1,764,530	3,748,316
Blue Orchard Finance	-	1,063,895
BID	196,450	284,856
Symbiotics	1,323,398	1,484,860
Responsibility	1,085,865	2,468,390
Banco del Bajio	1,696,596	764,860
Triple Jump	1,480,587	901,708
Developing World Markets	1,328,315	1,498,060
Deutsche Bank	1,784,890	2,012,981
FINAFIM	1,850,906	-
Subtotal – Mexico	12,511,537	14,288,679
Pro Mujer - Peru:		
Triple Jump	-	4,000,000
Symbiotics	2,622,539	2,036,672
Oikocredit	1,004,689	2,146,690
Blue Orchard	-	400,716
Global Partnerships (1)	-	989,267
Global Partnerships (2)	3,684,517	1,250,000
Responsibility Lending	1,916,158	1,946,587
Abaco	111,630	1,444,358
Working Capital for Community Needs	-	196,208
Whole Planet	-	195,420
Developing World Markets	2,000,000	3,000,000

7. NOTES PAYABLE (Continued)

	2014	2013
Pro Mujer – Peru (continued):		
Micocredit Enterprises	$ 223,794	$ 717,263
Deetken Enterprises, Inc.	558,439	358,229
Responsibility Lending (2013)	-	1,862,111
Corporación internacional de desarrollo – NOVIB	2,400,000	-
Banco del Crédito del Perú	3,070,998	-
Subtotal – Peru	17,592,764	20,543,521
Pro Mujer - New York:		
Sisters of St. Francis of Philadelphia	50,000	50,000
Dominican Sisters of Hope	20,000	20,000
Religious Committee Investment Fund	50,000	50,000
Sisters of the Holy Names (1)	-	25,000
Sisters of the Holy Names (2)	250,000	25,000
Sisters of St. Dominic	60,000	60,000
Sacred Heart Monastery	35,000	25,000
Partners of the Common Good	500,000	500,000
Calvert Foundation (1)	400,000	400,000
Calvert Foundation (2)	400,000	400,000
Society of the Holy Child (1)	25,000	25,000
Society of the Holy Child (2)	25,000	25,000
Holy Spirit Missionary	50,000	50,000
Osprey Foundation (1)	250,000	250,000
Osprey Foundation (2)	350,000	250,000
The Home Missioners of America	25,000	25,000
Sisters of St. Joseph Carondelet	50,000	50,000
Sisters of Charity, New York	50,000	50,000
FJC (1)	100,000	100,000
FJC (2)	100,000	100,000
Feed the Hunger	50,000	-
Our Lady of Victory Missionary Srs. (1)	25,000	25,000
Our Lady of Victory Missionary Srs. (2)	10,000	10,000
Saint Mary's Institute of O'Fallon	25,000	25,000
Sisters of Mercy – San Bernardino	25,000	25,000
Daughters of the Holy Spirit	25,000	25,000
Mercy Partnership Fund	500,000	500,000
Nancy Marsh (4)	25,000	25,000
Nancy Marsh (6)	100,000	100,000
Sisters of Notre Dame de Namur, OH	30,000	30,000
Sisters of Notre Dame de Namur, Mass (1)	75,000	75,000
Sisters of Notre Dame de Namur, Mass (3)	60,000	60,000
Sisters of Notre Dame de Namur, Mass (4)	42,500	42,500
Sisters of Notre Dame de Namur Toledo, OH	25,000	25,000
Subtotal - New York	3,807,500	3,447,500
TOTAL NOTES PAYABLE	**$97,564,803**	**$101,174,945**

The majority of the note agreements are unsecured and bear interest at rates ranging from 3% to 12%.

7. NOTES PAYABLE (Continued)

Following is a schedule of maturities, by year, at December 31, 2014 and 2013:

Year Ending December 31,	2014	2013
2014	$ -	$ 40,177,207
2015	49,253,601	25,886,018
2016	22,995,527	20,930,062
2017	13,028,393	8,150,870
2018	6,695,887	387,521
2019	2,822,562	5,643,267
2020 and Thereafter	2,768,833	-
	$97,564,803	**$101,174,945**

8. GUARANTEES PAYABLE

As of December 31, 2014 and 2013, guarantees payable aggregated $6,307,130 and $7,325,527, respectively. In Peru, Pro Mujer Peru (PMP) collects and maintains savings deposits from clients, which are held in a PMP bank account with Banco de Credito de Peru (BCP). The funds are comprised primarily of the amount that clients must submit to the institution as collateral when granting loans. The amounts are equivalent to 10-20 percent of total outstanding loan portfolio, and returned when the customer has canceled her credit. By order of PMP Management, funds can only be applied to unpaid balances and/or refunds to clients. In Mexico, the liability is a liquid guarantee that constitutes 10% of the loan amount, which is provided by Pro Mujer Mexico (PMM). The liquid guarantee is fully reimbursed to the client upon successful repayment of the outstanding loan amount. If the loan is renewed, the liquid guarantee amount is retained and adjusted to represent 10% of the new loan.

Following is a summary of guarantees payable as of December 31, 2014 and 2013:

	2014	2013
Pro Mujer Mexico	$ 2,000,503	$ 2,262,942
Pro Mujer Peru	4,306,627	5,062,585
	$ 6,307,130	**$ 7,325,527**

9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2014 and 2013:

	2014	2013
New York	$ 5,292,918	$ 4,075,369
Argentina	80,345	207,503
Bolivia	750,000	-
Nicaragua	380,991	-
TOTAL TEMPORARILY RESTRICTED NET ASSETS	**$ 6,504,254**	**$ 4,282,872**

9. TEMPORARILY RESTRICTED NET ASSETS (Continued)

The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

	2014	2013
New York	$3,547,288	$3,430,052
Argentina	207,503	-
Mexico	-	384,971
Peru	1,139,355	984,505
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$4,894,146**	**$4,799,528**

10. PERMANENTLY RESTRICTED NET ASSETS

Pro Mujer International's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, Pro Mujer International classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Pro Mujer International considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Following is a summary of the permanently restricted net assets:

- An endowment fund of $140,874 and $130,538 at December 31, 2014 and 2013, respectively, which was established during 2004. All contributions to the endowment fund are to remain in-perpetuity. Investment income generated by the invested endowment fund may be used to support general operations.

- A revolving loan fund of $243,606 at December 31, 2014 and 2013. The fund is to remain in-perpetuity and to be used solely for loans to Pro Mujer International's field offices.

11. CONTINGENCIES

Pro Mujer International provides capital assistance and training in several developing countries. Pro Mujer International also maintains cash accounts as well as loan portfolios in certain of those countries. The future results of those programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate.

As of December 31, 2014 and 2013, Pro Mujer International had cash, property and equipment, loans receivable and other assets in various countries in Central and South America totaling approximately $163,000,000 and $166,000,000, respectively, which represent approximately 93% and 94%, respectively, of Pro Mujer International's total assets at December 31, 2014 and 2013.

12. RETIREMENT PLANS

All full-time employees are covered by retirement plans which are in compliance with the laws of each respective country. Based upon the laws and regulations of each country, contributions are made to employee retirement accounts at varying rates.

Retirement expense for the years ended December 31, 2014 and 2013 totaled $2,742,722 and $1,921,395, respectively.

13. LEASE COMMITMENT

On December 29, 2009, Pro Mujer, Inc. - New York entered into a lease agreement for office space at 253 West 35th Street in New York, NY.

The term of the lease is from March 1, 2010 to February 28, 2017, and Pro Mujer, Inc. - New York is also responsible for its pro-rata share of the building's real estate taxes and operating costs.

In addition, Pro Mujer – Argentina, Pro-Mujer – Mexico, Pro-Mujer – Peru, Pro-Mujer – Bolivia, and Pro-Mujer – Nicaragua have entered into several lease agreements which expire between 2015 and 2021.

Rent expense, including utilities, for the years ended December 31, 2014 and 2013 totaled $4,578,860 and $4,044,191, respectively.

Following is a schedule of the future minimum lease commitments under the aforementioned operating lease agreements:

Year Ending December 31,	
2015	$1,848,331
2016	1,035,286
2017	415,144
2018	137,641
2019	35,594
2020 and Thereafter	35,277
	$3,507,273

14. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, Fair Value Measurement, Pro Mujer International has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Pro Mujer International has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2013.

- Money market funds - The fair value is equal to the reported net asset value of the fund.
- Mutual funds - The fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.
- Equities - Valued at the closing price reported on the active market in which the individual securities are traded.
- Certificates of deposit - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes, by level within the fair value hierarchy, Pro Mujer International's investments as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
Cash and money market funds	$ 10,550	$ -	$ -	$ 10,550
Mutual funds	489,356	-	-	489,356
Equities	87,900	-	-	87,900
	$587,806	**$ -**	**$ -**	**$587,806**

The table below summarizes, by level within the fair value hierarchy, Pro Mujer International's investments as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Cash and money market funds	$ 14,066	$ -	$ -	$ 14,066
Mutual funds	176,596	-	-	176,596
Equities	91,339	-	-	91,339
Bonds and certificates of deposit	-	583,090	-	583,090
	$282,001	**$583,090**	**$ -**	**$865,091**

15. RELATED PARTY TRANSACTIONS

In the ordinary course of business, Pro Mujer, Inc. (New York office) executes transactions with its branch offices, its related entities and its affiliates, including Argentina (related), Bolivia (related), Nicaragua (related), Mexico (affiliate) and Peru (branch office). As of December 31, 2014, Pro Mujer, Inc. (New York office) owed $258,655 to these offices.

Following is a summary of the amounts due to each branch office, its related entities and its affiliates:

Argentina (related)	$ 21,778
Bolivia IFD (related)	43,389
Nicaragua (related)	32,847
Mexico (affiliate)	14,765
Peru (branch office)	145,876
	$258,655

Pro Mujer, Inc. (New York office) receives cost sharing fees from the aforementioned offices. The cost sharing fees are calculated based on a percentage of each office's outstanding loan portfolio at the end of each calendar quarter (March, June, September and December.) All cost sharing fee activities are eliminated in combination.

For the year ended December 31, 2014, Pro Mujer, Inc. (New York office) recognized cost sharing fee revenue of $3,100,000 from the aforementioned offices. Pro Mujer, Inc. (New York office) also provided contributions totaling $1,462,637 to Argentina ($250,000), Bolivia ($402,600), Mexico ($151,432), Nicaragua ($130,750) and Peru ($527,855). All contribution activity is eliminated in combination.

16. SUBSEQUENT EVENTS

In preparing these combined financial statements, Pro Mujer International has evaluated events and transactions for potential recognition or disclosure through September 22, 2015, the date the combined financial statements were issued.

SUPPLEMENTAL INFORMATION

PRO MUJER INTERNATIONAL

COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014

	Pro Mujer, Inc., Combined Entities and Affiliates														
	Pro Mujer, Inc. and Combined Entities														
	Pro Mujer, Inc.						Combined (Disregarded) Entities					Affiliates			
	New York	Bolivia ONG	Nicaragua ONG	Peru	Eliminations	Total	Bolivia IFD	Argentina	Nicaragua LLC	Eliminations	Total	Asociacion Pro Mujer de Mexico, A.C.	Pro Mujer Mexico Apoyo, A.C.	Eliminations	Total
ASSETS															
Cash and cash equivalents	$10,458,801	$ 1,098,509	$ 944,608	$ 7,080,052	$ -	$ 19,581,970	$ 4,614,366	$ 338,011	$ 5,278,753	$ -	$ 29,813,100	$ 3,137,578	$ 51,607	$ -	$ 33,002,285
Restricted cash held in escrow	-	-	-	4,306,627	-	4,306,627	-	-	-	-	4,306,627	-	-	-	4,306,627
Investments	206,025	31,400	5,375,799	298,804	-	5,912,028	49,577	-	2,000	(5,375,799)	587,806	-	-	-	587,806
Accounts receivable	153,565	7,095,164	1,652,460	751,110	(856,958)	8,795,341	96,757	44,958	65,723	(8,794,942)	207,837	21,007	28	(14,765)	214,107
Loans receivable, net	272,025	-	-	22,642,889	-	22,914,914	65,565,627	3,525,551	16,177,981	(272,025)	107,912,048	16,503,256	-	-	124,415,304
Interest and commissions receivable	-	-	-	951,814	-	951,814	1,042,182	91,836	477,730	-	2,563,562	319,419	-	-	2,882,981
Grants and pledges receivable	2,575,022	-	297,564	-	-	2,872,586	-	-	-	-	2,872,586	-	-	-	2,872,586
Property and equipment, net	69,723	977,281	299,900	1,331,816	-	2,678,720	1,777,114	52,316	635,388	16,534	5,160,072	560,829	-	-	5,720,901
Intangible assets, net	-	51,716	-	1,348,404	-	1,400,120	176,486	83,816	45,811	-	1,706,233	11,115	-	-	1,717,348
Other assets	181,246	-	6,605	564,282	-	752,133	274,567	-	35,163	-	1,061,863	115,981	-	-	1,177,844
TOTAL ASSETS	**$13,916,407**	**$ 9,254,070**	**$ 8,576,936**	**$ 39,275,798**	**$ (856,958)**	**$ 70,166,253**	**$ 73,596,676**	**$ 4,136,488**	**$22,718,549**	**$ (14,426,232)**	**$ 156,191,734**	**$ 20,669,185**	**$ 51,635**	**$ (14,765)**	**$176,897,789**
LIABILITIES AND NET ASSETS															
LIABILITIES															
Notes payable	$ 3,807,500	$ -	$ -	$ 17,592,764	$ -	$ 21,400,264	$ 56,363,189	$ 1,953,743	$13,591,986	$ (8,255,916)	$ 85,053,266	$ 12,511,537	$ -	$ -	$ 97,564,803
Guarantees payable	-	-	-	4,306,627	-	4,306,627	-	-	-	-	4,306,627	2,000,503	-	-	6,307,130
Accounts payable and accrued liabilities	730,725	1,300,435	606,933	1,765,445	(856,958)	3,546,580	4,401,130	652,548	1,392,336	(854,439)	9,138,155	559,869	1,148	(14,765)	9,684,407
Interest payable	10,785	-	-	344,388	-	355,173	-	87,115	392,163	-	834,451	176,477	-	-	1,010,928
Income taxes payable	-	-	-	1,388,378	-	1,388,378	-	-	79,208	-	1,467,586	-	-	-	1,467,586
Total liabilities	4,549,010	1,300,435	606,933	25,397,602	(856,958)	30,997,022	60,764,319	2,693,406	15,455,693	(9,110,355)	100,800,085	15,248,386	1,148	(14,765)	116,034,854
NET ASSETS															
Unrestricted	3,689,999	7,953,635	7,589,012	13,878,196	-	33,110,842	12,082,357	1,362,737	7,262,856	(5,315,877)	48,502,915	5,420,799	50,487	-	53,974,201
Temporarily restricted	5,292,918	-	380,991	-	-	5,673,909	750,000	80,345	-	-	6,504,254	-	-	-	6,504,254
Permanently restricted	384,480	-	-	-	-	384,480	-	-	-	-	384,480	-	-	-	384,480
Tot net assets	9,367,397	7,953,635	7,970,003	13,878,196	-	39,169,231	12,832,357	1,443,082	7,262,856	(5,315,877)	55,391,649	5,420,799	50,487	-	60,862,935
TOTAL LIABILITIES AND NET ASSETS	**$13,916,407**	**$ 9,254,070**	**$ 8,576,936**	**$ 39,275,798**	**$ (856,958)**	**$ 70,166,253**	**$ 73,596,676**	**$ 4,136,488**	**$22,718,549**	**$ (14,426,232)**	**$ 156,191,734**	**$ 20,669,185**	**$ 51,635**	**$ (14,765)**	**$176,897,789**

PRO MUJER INTERNATIONAL

COMBINING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Pro Mujer, Inc., Combined Entities and Affiliates														
	Pro Mujer, Inc. and Combined Entities														
	Pro Mujer, Inc.						Combined (Disregarded) Entities					Affiliates			
	New York	Bolivia ONG	Nicaragua ONG	Peru	Eliminations	Total	Bolivia IFD	Argentina	Nicaragua LLC	Eliminations	Total	Asociacion Pro Mujer de Mexico, A.C.	Pro Mujer Mexico Apoyo, A.C.	Eliminations	Total
FINANCIAL REVENUE - INTEREST															
Interest and commissions:															
From loans	$ 54,681	$ -	$ 161,543	$12,697,429	$ -	$ 12,913,653	$ 18,942,642	$ 3,110,290	$ 9,885,942	$ (201,950)	$ 44,650,577	$ 10,194,282	$ -	$ -	$ 54,844,859
From cash and cash equivalents	(1,634)	2,470	17,947	12,823	-	31,606	6,929	-	133,397	-	171,932	120,798	-	-	292,730
	53,047	2,470	179,490	12,710,252	-	12,945,259	18,949,571	3,110,290	10,019,339	(201,950)	44,822,509	10,315,080	-	-	55,137,589
FINANCIAL EXPENSES															
Interest expense	-	-	-	(2,050,176)	-	(2,050,176)	(3,691,900)	(569,967)	(2,188,409)	628,872	(7,871,580)	(1,559,196)	-	-	(9,430,776)
(Loss) gain on translation	-	(131,199)	(336,246)	(1,124,430)	(26,019)	(1,617,894)	47	(273,493)	442,751	(121,995)	(1,570,584)	(675,872)	(5,193)	157,192	(2,094,457)
	-	(131,199)	(336,246)	(3,174,606)	(26,019)	(3,668,070)	(3,691,853)	(843,460)	(1,745,658)	506,877	(9,442,164)	(2,235,068)	(5,193)	157,192	(11,525,233)
Net financial revenues, before allowance for loan losses	53,047	(128,729)	(156,756)	9,535,646	(26,019)	9,277,189	15,257,718	2,266,830	8,273,681	304,927	35,380,345	8,080,012	(5,193)	157,192	43,612,356
Allowance for loan losses	-	-	-	(1,576,473)	-	(1,576,473)	(445,194)	(18,840)	(345,302)	-	(2,385,809)	(818,518)	-	-	(3,204,327)
Financial Revenue, Net	53,047	(128,729)	(156,756)	7,959,173	(26,019)	7,700,716	14,812,524	2,247,990	7,928,379	304,927	32,994,536	7,261,494	(5,193)	157,192	40,408,029
CONTRIBUTIONS AND OTHER REVENUE															
Grants and contributions	6,372,720	8,352	473,817	1,146,221	(629,033)	7,372,077	750,000	80,346	51,514	(447,657)	7,806,280	144,147	-	(144,148)	7,806,279
Cost share	3,100,000	-	-	-	(1,748,906)	1,351,094	-	-	-	(664,094)	687,000	-	-	(687,000)	-
In-kind contributions	169,794	-	-	-	-	169,794	-	-	-	-	169,794	-	-	-	169,794
Other program revenue	-	2,563,841	405,569	614,464	-	3,583,874	(172,818)	518,456	252,763	(915,205)	3,267,070	742,923	61,822	(7,284)	4,064,531
	9,642,514	2,572,193	879,386	1,760,685	(2,377,939)	12,476,839	577,182	598,802	304,277	(2,026,956)	11,930,144	887,070	61,822	(838,432)	12,040,604
Operating Revenue, Net	**9,695,561**	**2,443,464**	**722,630**	**9,719,858**	**(2,403,958)**	**20,177,555**	**15,389,706**	**2,846,792**	**8,232,656**	**(1,722,029)**	**44,924,680**	**8,148,564**	**56,629**	**(681,240)**	**52,448,633**
PROGRAM AND SUPPORTING EXPENSES															
Credit and Other Program Services	5,204,129	2,938,882	706,825	11,634,318	(2,403,958)	18,080,196	14,231,322	2,254,183	7,992,266	(1,781,952)	40,776,015	8,344,415	6,142	(829,998)	48,296,574
Management and General	1,816,637	-	-	-	-	1,816,637	-	-	-	-	1,816,637	-	-	-	1,816,637
Fundraising and Development	1,047,340	-	-	-	-	1,047,340	-	-	-	-	1,047,340	-	-	-	1,047,340
Total Program and Supporting Expenses	**8,068,106**	**2,938,882**	**706,825**	**11,634,318**	**(2,403,958)**	**20,944,173**	**14,231,322**	**2,254,183**	**7,992,266**	**(1,781,952)**	**43,639,992**	**8,344,415**	**6,142**	**(829,998)**	**51,160,551**
Change in net assets before income taxes	1,627,455	(495,418)	15,805	(1,914,460)	-	(766,618)	1,158,384	592,609	240,390	59,923	1,284,688	(195,851)	50,487	148,758	1,288,082
Income taxes	-	-	-	-	-	-	(758,837)	-	(195,992)	-	(954,829)	(217,734)	-	-	(1,172,563)
Change in net assets	1,627,455	(495,418)	15,805	(1,914,460)	-	(766,618)	399,547	592,609	44,398	59,923	329,859	(413,585)	50,487	148,758	115,519
Net assets, beginning of year	7,739,942	8,449,053	7,954,198	15,792,656	-	39,935,849	12,432,810	850,473	7,218,458	(5,375,800)	55,061,790	5,834,384	-	(148,758)	60,747,416
NET ASSETS, END OF YEAR	**$9,367,397**	**$ 7,953,635**	**$ 7,970,003**	**$13,878,196**	**$ -**	**$ 39,169,231**	**$ 12,832,357**	**$ 1,443,082**	**$ 7,262,856**	**$ (5,315,877)**	**$ 55,391,649**	**$ 5,420,799**	**$ 50,487**	**$ -**	**$ 60,862,935**