Pro Mujer International

Consolidated Financial Statements and Supplementary Information

Years Ended December 31, 2018 and 2017

Pro Mujer International

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Pro Mujer International

Contents

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Independent Auditor's Report

Board of Directors
Pro Mujer International
New York, New York

We have audited the accompanying consolidated financial statements of Pro Mujer International (Pro Mujer), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses 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 did not audit the financial statements of one foreign subsidiary, which statements reflect total assets of $103,576,363 and $97,837,027 at December 31, 2018 and 2017, respectively, and total revenues of $24,136,233 and $22,499,084 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 such subsidiaries, is 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 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Pro Mujer as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating schedules of financial position as of December 31, 2018 and 2017 and consolidating schedules of activities for the years then ended are presented for purposes of additional analysis and are not required parts of the basic consolidated financial statements. The consolidating schedules of financial position and consolidating schedules of activities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and to 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 consolidated financial statements as a whole.

BDO USA, LLP

June 24, 2019

Pro Mujer International

Consolidated Statements of Financial Position

December 31,		**2018**		2017
Assets				
Current				
Cash and cash equivalents (Note 2)	$	**30,288,493**	$	30,363,242
Restricted cash held in escrow (Note 2)		**3,821,857**		4,076,598
Investments, at fair value (Notes 2 and 3)		**2,721,321**		544,045
Accounts receivable, net (Note 2)		**670,028**		1,660,030
Grants and pledges receivable, current portion (Notes 2 and 5)		**26,825**		300,880
Prepaid and other assets		**2,375,380**		1,995,422
Loans receivable, net (Notes 2 and 4)		**117,444,374**		142,838,876
Interest and commissions receivable (Note 2)		**2,753,418**		3,595,609
Total Current Assets		**160,101,696**		185,374,702
Property and Equipment, Net (Notes 2 and 6)		**4,354,010**		4,234,379
Intangible Assets, Net (Notes 2 and 7)		**1,607,489**		1,042,180
Total Assets	$	**166,063,195**	$	190,651,261
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued liabilities	$	**10,420,721**	$	10,849,108
Income taxes payable (Note 8)		**3,331,732**		3,045,554
Guarantees payable (Note 9)		**1,599,933**		2,679,773
Interest payable, current portion (Note 10)		**2,824,463**		2,528,091
Notes payable, current portion (Note 11)		**42,079,318**		59,965,726
Total Current Liabilities		**60,256,167**		79,068,252
Notes Payable, less current portion (Note 11)		**51,725,362**		50,473,098
Other Long-Term Liabilities (Note 8)		**2,030,482**		2,113,175
Total Liabilities		**114,012,011**		131,654,525
Commitment and Contingencies (Notes 3, 10, 11, 13, 14, and 16)				
Net Assets				
Without donor restrictions (Note 2)		**51,368,272**		58,206,935
With donor restrictions (Note 12)		**682,912**		789,801
Total Net Assets		**52,051,184**		58,996,736
Total Liabilities and Net Assets	$	**166,063,195**	$	190,651,261

See accompanying notes to consolidated financial statements.

Pro Mujer International

Consolidated Statement of Activities

Year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Financial revenues:			
Interest and commissions:			
From loans	$ 57,580,465	$ -	$ 57,580,465
From cash and cash equivalents	907,784	-	907,784
	58,488,249	-	58,488,249
Financial expenses:			
Interest expense	(9,060,786)	-	(9,060,786)
Allowance for loan losses (Note 4)	(8,849,503)	-	(8,849,503)
Financial Revenues, Net	40,577,960	-	40,577,960
Contributions and other revenue:			
Grants and contributions	581,983	570,365	1,152,348
In-kind contributions (Note 2)	252,368	-	252,368
Other revenue	5,593,262	5,704	5,598,966
Gain/loss on foreign exchange	348,009	-	348,009
Net assets released from restrictions (Note 12)	682,958	(682,958)	-
Total Contributions and Other Revenue (Expense), Net	7,458,580	(106,889)	7,351,691
Total Operating Net Revenue	48,036,540	(106,889)	47,929,651
Operating Expenses			
Program and supporting expenses:			
Credit and other program services	42,128,704	-	42,128,704
Management and general	4,956,774	-	4,956,774
Fundraising and development	2,114,469	-	2,114,469
Total Operating Expenses	49,199,947	-	49,199,947
Change in Net Assets, before nonoperating expenses	(1,163,407)	(106,889)	(1,270,296)
Nonoperating Expenses			
Income tax expenses (Notes 2 and 8)	(3,726,895)	-	(3,726,895)
Translation adjustment	(2,989,216)	-	(2,989,216)
Prior-year currency translation adjustment (Note 2)	918,601	-	918,601
Prior-year adjustment	122,254	-	122,254
Total Nonoperating Expenses	(5,675,256)	-	(5,675,256)
Change in Net Assets	(6,838,663)	(106,889)	(6,945,552)
Net Assets, beginning of year	58,206,935	789,801	58,996,736
Net Assets, end of year	$ 51,368,272	$ 682,912	$ 52,051,184

See accompanying notes to consolidated financial statements.

Pro Mujer International

Consolidated Statement of Activities

Year ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Financial revenues:			
Interest and commissions:			
From loans	$ 65,260,171	$ -	$ 65,260,171
From cash and cash equivalents	491,602	-	491,602
	65,751,773	-	65,751,773
Financial expenses:			
Interest expense	(10,824,047)	-	(10,824,047)
Allowance for loan losses (Note 4)	(6,744,929)	-	(6,744,929)
Financial Revenues, Net	48,182,797	-	48,182,797
Contributions and other revenue:			
Grants and contributions	1,359,951	762,087	2,122,038
In-kind contributions (Note 2)	208,324	-	208,324
Other revenue	6,398,793	4,017	6,402,810
Loss on foreign exchange	(140,349)	-	(140,349)
Net assets released from restrictions (Note 12)	1,887,956	(1,887,956)	-
Total Contributions and Other Revenue (Expense), Net	9,714,675	(1,121,852)	8,592,823
Total Operating Net Revenue	57,897,472	(1,121,852)	56,775,620
Operating Expenses			
Program and supporting expenses:			
Credit and other program services	42,352,632	-	42,352,632
Management and general	4,969,980	-	4,969,980
Fundraising and development	1,755,958	-	1,755,958
Total Operating Expenses	49,078,570	-	49,078,570
Change in Net Assets, before nonoperating expenses	8,818,902	(1,121,852)	7,697,050
Nonoperating Expenses			
Income tax expense (Notes 2 and 8)	(4,466,636)	-	(4,466,636)
Translation adjustment	(373,859)	-	(373,859)
Prior-year adjustment	(86,328)	-	(86,328)
Total Nonoperating Expenses	(4,926,823)	-	(4,926,823)
Change in Net Assets	3,892,079	(1,121,852)	2,770,227
Net Assets, beginning of year	54,314,856	1,911,653	56,226,509
Net Assets, end of year	$ 58,206,935	$ 789,801	$ 58,996,736

See accompanying notes to consolidated financial statements.

Pro Mujer International

Consolidated Statement of Functional Expenses

Year ended December 31, 2018

	Credit and Other Program Services	Management and General	Fundraising and Development	Total
Salaries	$ 17,156,259	$ 1,825,524	$ 1,195,771	$ 20,177,554
Fringe benefits (Note 15)	7,487,574	666,952	282,788	8,437,314
Professional fees (Note 2)	2,165,155	1,296,000	32,920	3,494,075
Travel and transportation	1,204,580	227,805	253,943	1,686,328
Office supplies and expenses	865,169	65,350	9,185	939,704
Rent and utilities (Note 16)	4,639,138	333,913	63,699	5,036,750
Printing and copying	274,887	24,587	8,851	308,325
Vehicles, registration and insurance	625,827	75,336	33,713	734,876
Training and professional development	156,312	1,963	2,014	160,289
Depreciation and amortization	1,467,142	120,800	20,552	1,608,494
Events and advertising	331,802	24,294	36,842	392,938
Miscellaneous taxes	1,169,435	67,442	7,025	1,243,902
Donation expense	107,656	-	-	107,656
Impaired asset	2,677	4,423	4,539	11,639
Financial expenses	-	27,426	-	27,426
Other program operating expenses	3,858,469	-	-	3,858,469
Other expenses	616,622	194,959	162,627	974,208
Total	$ 42,128,704	$ 4,956,774	$ 2,114,469	$ 49,199,947

See accompanying notes to consolidated financial statements.

Pro Mujer International

Consolidated Statement of Functional Expenses

Year ended December 31, 2017

	Credit and Other Program Services	Management and General	Fundraising and Development	Total
Salaries	$ 17,210,631	$ 1,850,213	$ 1,080,909	$ 20,141,753
Fringe benefits (Note 15)	7,456,718	636,067	223,577	8,316,362
Professional fees (Note 2)	2,015,322	1,313,753	22,227	3,351,302
Travel and transportation	1,196,630	161,963	147,413	1,506,006
Office supplies and expenses	1,678,124	117,210	6,039	1,801,373
Rent and utilities (Note 16)	4,315,514	438,733	141,344	4,895,591
Printing and copying	259,807	24,729	11,971	296,507
Vehicles, registration and insurance	607,585	68,112	20,276	695,973
Training and professional development	356,337	6,088	4,013	366,438
Depreciation and amortization	1,557,254	135,785	20,506	1,713,545
Events and advertising	187,077	16,868	30,523	234,468
Miscellaneous taxes	1,158,351	49,140	-	1,207,491
Donation expense	40,688	-	-	40,688
Impaired asset	386,645	29,102	-	415,747
Financial expenses	22,442	36,572	24,544	83,558
Other program operating expenses	3,108,520	-	-	3,108,520
Other expenses	794,987	85,645	22,616	903,248
Total	$ 42,352,632	$ 4,969,980	$ 1,755,958	$ 49,078,570

See accompanying notes to consolidated financial statements.

Pro Mujer International

Consolidated Statements of Cash Flows

Year ended December 31,		**2018**		2017
Cash Flows from Operating Activities				
Change in net assets	$	**(6,945,552)**	$	2,770,227
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation		**1,105,056**		1,261,257
Amortization		**503,438**		452,288
Donated stock		**(137,353)**		(134,362)
Realized gain on sale of investments		**-**		(27)
Unrealized gain (loss) on investments		**507,559**		(34,596)
Loan receivable write-offs		**(6,991,156)**		(8,716,333)
Provision for allowance for doubtful accounts on loans receivable		**8,880,612**		10,751,566
Effect on foreign currency movements		**(382,344)**		(773,583)
Loss on disposal of furniture and equipment		**56,944**		526,622
Change in valuation of capital assets		**(275,489)**		(48,723)
Loss on disposal of intangible assets		**624,773**		2,819
Change in valuation of intangible assets		**(108,383)**		-
Change in valuation of notes payable		**(1,366,446)**		291,950
(Increase) decrease in:				
Restricted cash held in escrow		**254,741**		2,187,620
Accounts receivable		**990,002**		(635,596)
Grants and pledges receivable		**274,060**		265,192
Prepaid and other assets		**(379,960)**		(73,513)
Interest and commissions receivable		**842,191**		(584,718)
Increase (decrease) in:				
Accounts payable and accrued liabilities		**(428,387)**		1,416,926
Interest payable		**296,372**		438,854
Income taxes payable		**286,178**		577,942
Other long-term liabilities		**(82,693)**		(244,845)
Net Cash (Used in) Provided by Operating Activities		**(2,475,837)**		9,696,967
Cash Flows from Investing Activities				
Purchases of investments		**(4,790,956)**		(96,362)
Proceeds from sales/maturities of investments		**2,243,474**		1,167,732
Purchases of property and equipment		**(1,006,144)**		(850,666)
Purchases of intangible assets		**(1,585,138)**		(668,999)
Loans receivable		**23,887,390**		(9,316,084)
Net Cash Provided by Investing Activities		**18,748,626**		(9,764,379)
Cash Flows from Financing Activities				
Payments from guarantees payable		**(1,079,840)**		(2,636,256)
Proceeds from notes payable		**47,248,571**		67,395,101
Principal payments on notes payable		**(62,516,269)**		(62,681,182)
Net Cash (Used in) Provided by Financing Activities		**(16,347,538)**		2,077,663
Net (Decrease) Increase in Cash and Cash Equivalents		**(74,749)**		2,010,251
Cash and Cash Equivalents, beginning of year		**30,363,242**		28,352,991
Cash and Cash Equivalents, end of year	$	**30,288,493**	$	30,363,242
Supplemental Disclosures of Cash Flow Information				
Interest paid	$	**8,764,414**	$	8,940,998
Income taxes paid		**3,440,717**		1,347,043

See accompanying notes to consolidated financial statements.

1. Description of Organization

Pro Mujer International (Pro Mujer) consists of Pro Mujer, Inc., a not-for-profit organization incorporated in Washington DC, under the laws of the United States as a tax-exempt public charity under section 501(c)(3) of the Internal Revenue Code with operations in New York City, and includes operations of affiliated entities in Argentina, Bolivia, Mexico, Nicaragua, and Peru. Founded in 1990, Pro Mujer is a mission-driven organization that empowers women by creating sustainable economic, health, and social opportunities for underserved women and their families in Latin America.

Currently, Pro Mujer serves nearly 300,000 women in Latin America through a robust suite of financial, health and skill-building services to help them reach their full potential. The financial services that Pro Mujer currently offers include loans, savings, and insurance products. In addition, Pro Mujer offers primary healthcare and well-being services, preventative health education, and business and empowerment training. To date, Pro Mujer has disbursed nearly $3.6 billion United States (U.S.) dollars (Dollars) in small loans to women in Latin America and provided over 9 million health interventions.

In order to fulfill its mission of empowering undeserved women to realize their full potential, Pro Mujer's mandate is to build a large-scale and sustainable platform that provides relevant and transformative products and services to women throughout their life cycle. As part of Pro Mujer's 2017-2021 Strategic Plan, Pro Mujer has started to expand its services, including digital literacy, entrepreneurship support, workforce development, and gender-based violence prevention programs. By leveraging alliances and technology, Pro Mujer is building a one-stop platform for women's empowerment in Latin America.

Pro Mujer operates through Pro Mujer, Inc. (PMI – New York), which maintains operational control and oversight of the following affiliated entities:

United States of America

Pro Mujer Nicaragua, LLC (PMN LLC) is incorporated as a limited liability corporation under the laws of the State of Delaware in the United States of America. PMI - New York holds directly 100% of the Class A Member interests of PMN LLC (Class A Member is the only class with economic rights).

Pro Mujer Social Enterprises, LLC (PMSE LLC) is incorporated as a limited liability corporation under the laws of the State of Delaware in the United States of America and currently has no operations.

Wasi Social innovation, Inc. (Wasi) is incorporated as a nonprofit corporation under the laws of the State of Delaware in the United States of America. Wasi qualifies as a Type I supporting organization under section 509(a)(3)(B)(i) of the U.S. Internal Revenue Code (IRC) of 1986, as amended. WASI was organized and will be operated exclusively for the benefit of, to perform the functions of, and to carry out the purposes of: (i) PMI – New York.; and (ii) other organizations described in sections 501(c)(3) and 509(a)(1) or 509(a)(2) of the IRC of a class the purposes and activities of which are similar to and consistent with the purposes of PMI – New York. PMI – New York is the sole member of WASI, and WASI's bylaws provide that PMI has the authority to appoint and remove all of WASI's directors.

The Netherlands

Ilu Ventures B.V. (Ilu Netherlands) is incorporated as a limited liability company under the laws of the Netherlands. Ilu Netherlands acts as a holding and financial company. Wasi is the sole member of Ilu Netherlands. Ilu Netherlands was incorporated on December 6, 2018 and currently has no activity.

Argentina

Fundación Pro Mujer Argentina (Pro Mujer – Argentina) is incorporated as a non-profit organization under the laws of Argentina.

Bolivia

Fundación Pro Mujer IFD (Pro Mujer – Bolivia) is incorporated under the laws of Bolivia as a non-profit institution to provide financial services in the micro credit sector. On November 15, 2017, Pro Mujer - Bolivia obtained its license to officially operate as a Financial Development Institution, beginning February 11, 2018.

Pro Mujer, Inc. – Bolivia (PMI - Bolivia) is incorporated under the laws of the United States and authorized to operate in Bolivia.

Nicaragua

Pro Mujer Nicaragua, LLC (Sucursal Nicaragua) (Pro Mujer – Nicaragua) is a branch in Nicaragua of PMN LLC.

Pro Mujer, Inc. – Nicaragua (PMI - Nicaragua) is incorporated under the laws of the United States and authorized to operate in Nicaragua.

PMI - New York made a contribution to Pro Mujer - Nicaragua for its creation. As a result, the assets (net assets) of Pro Mujer - Nicaragua are considered assets (net assets) of PMI - New York, which was eliminated upon consolidation.

At December 31, 2018 and 2017, the investments held by PMI - New York in Pro Mujer - Nicaragua and PMI - Nicaragua totaled $4,667,493 and $4,900,876, respectively, which was eliminated upon consolidation.

Mexico

Asociación Pro Mujer de México, S.A. de C.V., SOFOM, ENR, (Pro Mujer – Mexico) is incorporated as a commercial entity under the laws of Mexico.

PMI - New York owns 99.99% of the voting shares in Pro Mujer - Mexico and PMSE LLC owns the remaining .01% of the voting shares. The Deetken Group through Deetken Impact Investments Limited Partnership owns 1,000 of preferred shares that represent an investment value of $1,000,000. At December 31, 2018 and 2017, the investment held by PMI - New York in Pro Mujer - Mexico totaled $3,307,528 and $5,599,320, respectively, which was eliminated upon consolidation.

Pro Mujer Mexico Apoyo, A.C. (Pro Mujer – Mexico NGO) is incorporated as a non-profit organization under the laws of Mexico. PMI - New York and PMSE LLC are the only members of the organization, with equal rights and obligations to the organization.

Peru

Pro Mujer Inc. (PMI – Peru) - incorporated under the laws of the United States. PMI - Peru operates as a branch office of PMI – New York.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP). In the consolidated statements of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Pro Mujer International and all entities mentioned above, which are related by common members of the Board of Directors. Intercompany transactions have been eliminated in consolidation. All entities are collectively referred to as "Pro Mujer."

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

With Donor Restrictions – This class consists of net assets resulting from contributions and other inflows of assets whose use by Pro Mujer is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Pro Mujer. The income from permanently restricted net assets are available without donor restrictions or with donor restrictions - temporary restricted net assets, as indicated by donor-imposed stipulations.

Some net assets with donor restrictions result from contributions and other inflows of assets whose use by Pro Mujer is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Pro Mujer pursuant to those stipulations. When such stipulations end or are fulfilled, such donor restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities. Contributions and grants with donor restrictions, the requirements of which are met in the year of donation, are reported as without donor restrictions.

Without Donor Restrictions – This class consists of net assets without donor restrictions, which are available for use at the discretion of the Board and/or management for general operating purposes.

Cash and Cash Equivalents

Pro Mujer considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable, Net

Accounts receivable are comprised of advances to staff and amounts due from credits from vendors. All amounts are stated at fair value. The allowance with respect to accounts receivable at December 31, 2018 and 2017 was $714,241 and $88,041, respectively.

Loans Receivable, Net

Loans receivable include loans made by Pro Mujer to low-income individuals or families in Argentina, Bolivia, Mexico, Nicaragua and Peru.

Pro Mujer adjusts the allowance for doubtful accounts to represent the best estimate of probable or expected losses in the loan portfolio. Pro Mujer maintains provisions for uncollectible accounts in two types: Generic and Specific. Refer to Note 4 for more information.

Grants, Contributions and Pledges

Contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period received. Contributions to be received after one year are discounted at an appropriate discount rate. The carrying values of grants and pledges receivable have been reduced by an appropriate allowance for uncollectible accounts, based on historical collection experience, and therefore, approximates net realizable value. Grants and pledges receivable are written off in the period in which they are deemed to be uncollectible and payments subsequently received are recorded as income in the period received. Management determined that there was no allowance that needed to be recorded for the years ended December 31, 2018 and 2017.

Interest and Commissions Receivable

Interest and commissions receivable represent amounts currently due on loans and advances to customers. The allowance with respect to interest and commissions receivables is included in the allowance for the loans receivable found in Note 4.

Prepaid and Other Assets

Prepaid expenses and other assets include deposits for rent expense, transfers in transit and various prepayments made for subscriptions, insurance expenses and payments for taxes.

Intangible Assets, Net

Intangible assets arising from computer software development costs and related licenses are recognized as capital assets and are amortized using the straight-line method over the estimated useful lives of the related assets, generally two to five years. The threshold for capitalization is $300 for PMI – New York, while all other Pro Mujer entities use useful lives over one year regardless of costs.

Yearly, the intangible assets are reviewed for impairment and when the asset's carrying amount exceeds its respective recoverable amount, an impairment charge is recorded for the excess of the carrying amount over the fair value of the asset.

Write-Off Policy

Pro Mujer will write off a loan when it is determined uncollectible; it is written off against the related allowance for doubtful accounts. Such loans are written off after all the necessary collection procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for credit losses in the consolidated statements of activities and are recorded when cash is received.

Loans are usually written off after a loan is 180 days past due. Other than when exceptions exist, Pro Mujer does not refinance defaulted loans. If loans are recovered after they are written off, they are recorded as revenue in interests in the year of the recovery and included in the loan interest and commissions from loans line of the consolidated statements of activities, in the case of the recovered interest, they are recorded in the other program revenue line, in the case when the principal of the loan is received. Refer to Note 4 for more information.

Assets Whose Use is Limited

Assets whose use is limited balances include deposits from loan recipients, which are held in bank accounts in PMI - Peru and Pro Mujer - Mexico.

Restricted cash held in escrow consisted of the following at:

December 31,	**2018**	2017
PMI - Peru	**$ 1,316,790**	$ 823,564
Pro Mujer - Mexico	**2,505,067**	3,253,034
Total	**$ 3,821,857**	$ 4,076,598

The funds are client savings in Peru and a liquid guarantee in Mexico as a form of collateral.

Property and Equipment, Net

Property and equipment are recorded at cost or, if contributed, at their market value at date of contribution. Property and equipment over $300 for PMI – New York is capitalized. All other Pro Mujer entities capitalize all assets with a useful life over one year regardless of cost. Maintenance and repairs are charged to expense and betterments to the asset's life are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets.

Buildings and offices	20 years
Leasehold improvements	5 - 20 years
Computer equipment	5 years
Furniture and office equipment	2 - 20 years
Vehicles	2 - 8 years
Other	3 - 5 years

Impairment of Long-Lived Assets to be Disposed Of

U.S. GAAP requires Pro Mujer to review long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. See Note 7 for disposals related to intangible assets for the years ended December 31, 2018 and 2017.

Contributed Services

Services provided for legal, advertising and other services were donated to Pro Mujer. The estimated fair market value of these services for 2018 and 2017 was $252,368 and $208,324, respectively. These services are reflected as in-kind contributions and expenses of services in the accompanying consolidated statements of activities, and in the accompanying consolidated statements of functional expenses under professional fees. In addition, Pro Mujer received in-kind subscription technology tool for access to health and well-being services, and inclusive Digital Financial Services. The services were donated for a market value of $180,000 and is being amortized based on usage.

Income Taxes

PMI – New York and Wasi are exempt from federal income taxes under Section 501(c)(3) of the IRC.

Ilu Netherlands is a Dutch tax resident company having its domicile in Amsterdam, the Netherlands. It is subject to ordinary Dutch corporate income tax in the Netherlands which is: i) 20%, up to EUR 200,000 profit, and ii) 25%, for profit over EUR 200,000.

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. As discussed further in Note 8, a potential tax modification is currently pending with the Tax Administration.

Pro Mujer - Bolivia is subject to income tax of 25% of net current earnings. In addition, a new law requires an additional 25% to be applied to institutions that exceed 6% of the coefficient of return on its equity. Pro Mujer - Bolivia incurred income tax expenses for 2018 and 2017 of $3,232,124 and $2,263,009, respectively.

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

Pro Mujer – Mexico due to the nature of its operations, is subject to income tax of 30% on net current earnings. Pro Mujer – Mexico incurred income tax expense for 2018 and 2017 of $330,012 and $1,169,377, respectively.

Pro Mujer – Nicaragua 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 incurred income tax expense of $164,759 and $669,771 during 2018 and 2017, respectively.

PMI - Nicaragua is exempt from income taxes in Nicaragua in accordance with Nicaragua tax law as it operates as a non-profit organization.

In accordance with U.S. GAAP, an organization must recognize a tax liability associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. Pro Mujer does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. For PMI – Peru, discussed further in Note 8, a tax liability has been established and recorded.

For the years ended December 31, 2018 and 2017, there was no interest or penalties recorded or included in the accompanying consolidated statements of activities.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Allocation Methodology

Common costs incurred for Pro Mujer for the various programs are allocated directly to respective programs as incurred and/or utilizing predetermined allocation rates established by management based upon the programs benefited by the related expenses.

Methods Used for Allocation of Expenses from Management and General Activities

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Pro Mujer. Those expenses include office supplies and related expenses, rent and utilities, printing, insurance, depreciation and amortization.

Certain costs of the following departments were reallocated based on estimated time and effort which include the positions in Accounting, Auditors, Human Resources, Communications, Operation, Information Technology (IT), Legal, and Chief Executive Officer (CEO). Each Country identifies the direct Administrative salaries from the total salaries.

For the New York Corporate Office, allocations are based on time and effort percentages provided by department heads based on the department head's best estimate of the time breakdown incurred for program, admin and development.

Net Asset Classification

In accordance with the professional standard for "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds," Pro Mujer treats all donor restricted endowment funds as net assets with donor restrictions. These endowment funds are invested in a pool with all other investments of Pro Mujer.

In the years when there is a deficit return on investments related to the endowment funds, the deficit results in a reduction of endowment-related net assets with donor restrictions. When no further amount remains in net assets with donor restrictions, the losses are used to reduce net assets without donor restrictions. In the years when there is a positive return on endowment investments, the returns are initially adjusted against previous amounts that had been recorded as reductions in net assets without donor restrictions, after adjustment of which all remaining balances are included in net assets with donor restrictions. For the years ended December 31, 2018 and 2017, Pro Mujer did not have any deficit returns included within with donor restrictions - permanent net assets.

In 2010, New York State enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA). This law, which is a modified version of UPMIFA, made significant changes to the rules governing how New York not-for-profit organizations may manage, invest and spend their endowment funds. The law is designed to allow organizations to cope more easily with fluctuations in the value of their endowments and to afford them greater access to funds needed to support their programs and services in difficult financial times. It also expanded the options available to organizations seeking relief from donor restrictions on funds that have become obsolete, impracticable or wasteful. NYPMIFA applies to New York not-for-profit, education and religious corporations, associations organized and operated exclusively for charitable purposes, and certain trusts.

Fair Value Measurements

Professional standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as Pro Mujer would use in pricing its assets based on independently derived and objectively determinable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets identical or similar to those which Pro Mujer holds are traded. Pro Mujer estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use, as determined by the money managers administering each investment based on the best information available in the circumstances.

The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 – Valuation is based on quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Valuations are based on: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Pro Mujer's investments consist of a variety of investment securities. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of the organization's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Investment Income

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Recently Adopted Accounting Pronouncements

In August 2016, the Financial Accounting Standard Board (FASB) issued Accounting Standard Update (ASU) 2016-14, "*Not-for-Profit Entities and Health Care Entities - Presentation of Financial Statements of Not-for-Profit Entities*." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions;" (b) modifying the presentation of underwater endowment funds and related disclosures; (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs; (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (f) presenting investment return net of external and direct expenses and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for fiscal years beginning after December 15, 2017. The provisions of the ASU must be applied on a retrospective basis for all years presented, although certain optional practical expedients are available for periods prior to adoption. Pro Mujer has adopted this standard, which is reflected in these consolidated financial statements.

Accounting Pronouncements Issued but Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This update, along with ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* and ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, establishes a comprehensive revenue recognition standard. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14, which deferred the effective date for Pro Mujer until annual periods beginning after December 15, 2018. Earlier adoption is permitted, subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of these ASUs on their consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update, along with ASU 2018-10, *Codification Improvements to Topic 842: Leases, ASU 2018-11, Leases (Topic 842): Targeted Improvements* and ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*, establishes a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the statement of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures, as well as provides entities with an additional (and optional) transition method to adopt the new standard. The ASU is effective for Pro Mujer's fiscal years beginning after December 15, 2019 with early adoption permitted. Management is currently evaluating the impact of these ASUs on their consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, "*Intangibles - Goodwill and Other*," to simplify how all entities assess goodwill impairment by eliminating Step 2 from the goodwill impairment test. As amended, the goodwill impairment test will consist of one step comparing the fair value of a reporting unit with its carrying amount. An entity should recognize a goodwill impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The standard is effective for non-public business entities for fiscal years beginning after December 15, 2021 and Management is currently evaluating the impact of this ASU on its consolidated financial statements.

In August 2016, the FASB issued ASU 2015-15, "*Classification of Certain Cash Receipts and Cash Payments (Topic 230)*," which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments are intended to reduce diversity in practice. This ASU contains additional guidance clarifying when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate and allocate cash flows) versus when an entity should classify the aggregate amount into one class of cash flows on the basis of predominance. The ASU is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, "*Statement of Cash Flows: Restricted Cash (Topic 230),*" to address the classification and presentation of changes in restricted cash on the statement of cash flows. The ASU requires that a statement of cash flows explains the change in the total cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. Thus, amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the consolidated statements of cash flows. The ASU is effective for the Pro Mujer's consolidated financial statements for fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied on a retrospective transition method to each period presented. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Foreign Currency Translation

U.S. Dollars are the functional currency for Pro Mujer's worldwide operations. Transactions in currencies other than U.S. Dollars are translated to the respective functional currencies of Pro Mujer's foreign operations at exchange rates at the dates of the transactions. 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 consolidated statement of financial position. Foreign currency differences arising on foreign currency transactions and translation at year end are recognized in the consolidated statements of activities. Currency translation adjustments for 2018 and 2017 amounted to $(2,830,163) and $(129,951), respectively, and are reflected in the consolidated statements of activities.

Prior-Year Currency Translation Adjustment

The financial statements as of December 31, 2018 include a foreign currency translation adjustment to reflect the Argentine pesos of purchasing power at that date, in accordance with the regulations issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) and adopted by the Professional Council of Economic Sciences of the Province of Salta.

To define an inflation context, the accounting rules on units of measurement propose to analyze the behavior of the population, prices, interest rates and salaries in the face of the evolution of price indices and the loss of the currency's purchasing power, and establish as a practical solution that the financial statements should be restated to reflect changes in the purchasing power of the currency when the cumulative variation in price indices over three years reaches or exceeds 100%.

Although in recent years there was a significant increase in the general level of prices, cumulative inflation in Argentina over the last three years remained below 100%. Due to diverse macroeconomic factors, in 2018, three-year inflation was above that threshold, while the national government's targets and other available projections indicate that this trend will not reverse in the short term.

In order to evaluate the aforementioned quantitative conditions and restate the financial statements, the accounting standards regarding unit of measurement establish that the series of indices to be used is determined by the FACPCE. This series of indices combines the national Consumer Price Index published by the National Institute of Statistics and Censuses (INDEC) starting in January 2017 (base month: December 2016) with the Internal Wholesale Price Index (IPIM) published by INDEC up until that date and using the variation in the CPI of the Autonomous City of Buenos Aires for November and December 2015, when INDEC did not publish data on the IPIM.

Considering the aforementioned index, inflation was 47.64% and 24.79% in the years ended December 31, 2018 and 2017, respectively.

In Argentina, the restatement process for the preparation and presentation of financial statements adjusted for inflation had ceased as of March 2003. The current process of restatement in constant currency requires reflecting the effect of changes in purchasing power of the currency in the year it occurs.

As a result of the adjustments, at December 31, 2018, prior-year currency translation adjustment recorded within the December 31, 2018 statement of activity amounted to $918,601. For the year ended December 31, 2017, there were no prior year currency translation adjustments related to inflation.

Operational Risk

Market Risk

Market risk is defined as external influences, generally outside of the control of Pro Mujer'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 potential for financial loss resulting from the failure of a client or counterparty to honor its financial or contractual obligations. Credit risk is principally from Pro Mujer's microfinance activity.

Pro Mujer 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. Refer to Note 4 for more information.

Pro Mujer's loan portfolio is made up entirely of loans made to individuals and groups of individuals for a specific purpose.

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

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

Currency Risk

Pro Mujer is exposed to currency risk through transactions in foreign currencies against the U.S. Dollar. There is also a consolidated 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. Pro Mujer has instruments available to mitigate the currency risk, including the purchase of currency hedges where available and maintaining assets in U.S. Dollars in order to match liabilities.

Operational Environment Risk

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

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 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 consolidated 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.

Reclassifications

Certain 2017 balances have been reclassified to be consistent with the 2018 consolidated financial statement presentation.

3. Investments and Fair Value Measurements

Investments at cost and respective fair value consist of the following:

December 31, 2018	Cost	Fair Value
Money market funds	$ 711,763	$ 124,840
Equity securities	1,924,309	1,924,309
Mutual funds	60,104	76,848
Certificates of deposit	595,324	595,324
Total	$ 3,291,500	$ 2,721,321

Investments at cost and respective fair value consist of the following:

December 31, 2017	Cost	Fair Value
Money market funds	$ 114,875	$ 140,558
Equity securities	121,199	121,199
Mutual funds	54,446	78,048
Certificates of deposit	204,240	204,240
Total	$ 494,760	$ 544,045

Pro Mujer's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with professional standards. See Note 2 for a discussion of Pro Mujer's policies regarding this hierarchy. A description of the valuation techniques applied to Pro Mujer's major categories of assets and liabilities measured at fair value are as follows:

Money Market Funds

Money market deposit accounts are valued at cost plus interest, which approximates fair value and are classified as Level 1.

Equities

These investments are priced using nationally recognized pricing services based on observable market data and are classified as Level 1.

Certificates of Deposit

Certificates of deposit are valued at the last reported value by the banking institution and are classified as Level 1.

Mutual Funds

Mutual funds are valued at the last reported net asset value (NAV) of shares held by Pro Mujer at year-end and are classified as Level 1.

Pro Mujer had no financial assets and liabilities that were measured at fair value on a non-recurring basis during the years ended December 31, 2018 and 2017. In addition, there were no transfers between levels during the years ended December 31, 2018 and 2017.

December 31, 2018

	Level 1	Total
Investments at fair value:		
Money market funds	$ 124,840	$ 124,840
Equity securities	1,924,309	1,924,309
Mutual funds	76,848	76,848
Certificates of deposit	595,324	595,324
Total Investments at Fair Value	$ 2,721,321	$ 2,721,321

December 31, 2017

	Level 1	Total
Investments at fair value:		
Money market funds	$ 140,558	$ 140,558
Equity securities	121,199	121,199
Mutual funds	78,048	78,048
Certificates of deposit	204,240	204,240
Total Investments at Fair Value	$ 544,045	$ 544,045

4. Loans Receivable and Allowance for Loan Losses

Loans receivable include loans made by Pro Mujer to low-income individuals or families in Argentina, Bolivia, Mexico, Nicaragua and Peru.

Following is an analysis of the change in the allowance accounts:

Year ended December 31, 2018		
Allowance for doubtful accounts:		
Balance, January 1, 2018	$	8,677,898
Credit loss provision for the year:		
Charges		8,880,612
Amounts written off		(6,991,156)
Effect of foreign currency movements		(382,344)
Balance, December 31, 2018	$	10,185,010

Year ended December 31, 2018		
Total loan principal	$	127,629,384
Allowance for loan losses		(10,185,010)
Total Loans Receivable, Net	$	117,444,374

Following is an analysis of the change in the allowance accounts:

Year ended December 31, 2017		
Allowance for doubtful accounts:		
Balance, January 1, 2017	$	7,416,248
Credit loss provision for the year:		
Charges		10,751,566
Amounts written off		(8,716,333)
Effect of foreign currency movements		(773,583)
Balance, December 31, 2017	$	8,677,898

Year ended December 31, 2017		
Total loan principal	$	150,147,392
Allowance for loan losses		(7,308,516)
Total Loans Receivable, Net	$	142,838,876

Net loan receivables has declined significantly due to the decreasing loan portfolio in Peru, Nicaragua, and Mexico. In Peru, this was a strategic decision. In Nicaragua, this was due to a reduction in demand caused by the political and economic crisis in the country. In Mexico, the portfolio was reduced significantly due to a decision to tighten origination standards and prune loan products that had poor performance in terms of delinquencies. Near the end of 2018, Mexico began to increase its portfolio again with improved origination standards.

Impaired loans are loans for which Pro Mujer determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan agreement.

On a monthly basis, Pro Mujer adjusts an allowance for doubtful accounts that represents the best estimate of probable or expected losses in the loan portfolio. Pro Mujer maintains provisions for uncollectible accounts in two types: Generic and Specific.

Generic - Pro Mujer maintains a generic provision in allowance for bad debt equivalent up to 2% of the loan portfolio, which was determined by management based on historical data.

Specific - The specific provision is adjusted at period end based on the number of days of the actual past due loan amounts and applying a percentage based on the expected loan losses as follows:

Category	Days Past Due	Provision (%)
I	(≤) 5 days	1
II	6 and 30 days	5
III	31 and 60	20
IV	61 and 90	50
V	(≥) 91 days	100

In regulated countries like Bolivia and Nicaragua, other reserves can be constituted for credit risk as instructed by the local regulator.

Refer to Note 2 for the write-off policy.

5. Grants and Pledges Receivable

Grants receivable consist of awards from various foundations and corporations. Pledges receivable consist of commitments made to Pro Mujer from individuals. All payments are expected to be collected during the following 12 months, unless otherwise stipulated by the donor.

The net present value of grants and pledges receivable is as follows:

December 31,	**2018**	2017
Total grants receivable	$ -	$ 300,000
Total pledges receivable	**26,825**	880
Net Present Value of Grants and Pledges Receivables	**$ 26,825**	$ 300,880

6. Property and Equipment, Net

As of December 31, 2018, property and equipment, net consisted of the following:

	Land	Buildings and Offices	Leasehold Improvements	Computer Equipment	Furniture and Office Equipment	Vehicles	Other	Total
Cost Balance, January 1, 2018	$ 305,054	$ 1,321,939	$ 1,245,333	$ 4,232,268	$ 4,573,803	$ 1,333,161	$ 158,158	$ 13,169,716
Acquisitions	-	-	80,634	324,640	260,270	337,319	3,279	1,006,142
Disposals	-	(2,845)	(713,037)	(130,621)	(61,083)	(29,855)	(16,458)	(953,899)
Currency translation	(13,479)	(35,193)	-	37,572	154,653	5,337	-	148,890
Cost Balance, December 31, 2018	291,575	1,283,901	612,930	4,463,859	4,927,643	1,645,962	144,979	13,370,849
Accumulated Depreciation Balance, January 1, 2018	-	328,224	968,934	3,541,216	2,949,308	1,064,460	83,195	8,935,337
Depreciation	-	38,329	152,939	341,717	458,639	102,369	11,062	1,105,055
Disposals	-	(445)	(703,062)	(114,591)	(44,952)	(23,188)	(10,716)	(896,954)
Currency translation	-	(21,432)	-	16,706	(103,116)	(18,757)	-	(126,599)
Accumulated Depreciation Balance, December 31, 2018	-	344,676	418,811	3,785,048	3,259,879	1,124,884	83,541	9,016,839
Property and Equipment, Net, December 31, 2018	$ 291,575	$ 939,225	$ 194,119	$ 678,811	$ 1,667,764	$ 521,078	$ 61,438	$ 4,354,010

As of December 31, 2017, property and equipment, net consisted of the following:

	Land	Buildings and Offices	Leasehold Improvements	Computer Equipment	Furniture and Office Equipment	Vehicles	Other	Total
Cost Balance, January 1, 2017	$ 308,553	$ 1,774,950	$ 1,355,899	$ 4,172,044	$ 4,348,835	$ 1,543,843	$ 209,807	$ 13,713,931
Acquisitions	-	-	121,275	219,123	433,819	76,449	-	850,666
Disposals	(10,251)	(470,653)	(231,841)	(121,445)	(207,603)	(298,512)	(51,649)	(1,391,954)
Currency translation	6,752	17,642	-	(37,454)	(1,248)	11,381	-	(2,927)
Cost Balance, December 31, 2017	305,054	1,321,939	1,245,333	4,232,268	4,573,803	1,333,161	158,158	13,169,716
Accumulated Depreciation Balance, January 1, 2017	-	410,829	993,232	3,303,035	2,659,431	1,133,629	90,906	8,591,062
Depreciation	-	44,150	222,005	413,293	434,154	133,910	13,745	1,261,257
Disposals	-	(129,180)	(228,882)	(120,384)	(148,794)	(216,636)	(21,456)	(865,332)
Currency translation	-	2,425	(17,421)	(54,728)	4,517	13,557	-	(51,650)
Accumulated Depreciation Balance, December 31, 2017	-	328,224	968,934	3,541,216	2,949,308	1,064,460	83,195	8,935,337
Property and Equipment, Net, December 31, 2017	$ 305,054	$ 993,715	$ 276,399	$ 691,052	$ 1,624,495	$ 268,701	$ 74,963	$ 4,234,379

7. Intangible Assets, Net

The composition of the intangible assets, net is as follows:

December 31, 2018

	Software	Licenses	Total
Gross Balance, January 1, 2018	$ 1,003,349	$ 2,320,786	$ 3,324,135
Acquisitions	33,573	1,551,565	1,585,138
Disposals	(31,133)	(660,754)	(691,887)
Currency translation	312,995	1,822	314,817
Gross Balance, December 31, 2018	1,318,784	3,213,419	4,532,203
Accumulated Amortization Balance, January 1, 2018	608,257	1,673,698	2,281,955
Depreciation and amortization	185,149	318,289	503,438
Disposals	(31,133)	(35,980)	(67,113)
Currency translation	204,612	1,822	206,434
Accumulated Amortization Balance, December 31, 2018	966,885	1,957,829	2,924,714
Intangible Assets, Net, December 31, 2018	$ 351,899	$ 1,255,590	$ 1,607,489
Weighted average amortization period (years)	3	5	

The composition of the intangible assets, net is as follows:

December 31, 2017

	Software	Licenses	Total
Gross Balance, January 1, 2017	$ 525,648	$ 2,179,632	$ 2,705,280
Acquisitions	515,695	153,302	668,997
Disposals	(37,994)	(23,668)	(61,662)
Currency translation	-	11,520	11,520
Gross Balance, December 31, 2017	1,003,349	2,320,786	3,324,135
Accumulated Amortization Balance, January 1, 2017	470,180	1,407,533	1,877,713
Amortization	169,678	281,885	451,563
Disposals	(31,601)	(27,240)	(58,841)
Currency translation	-	11,520	11,520
Accumulated Amortization Balance, December 31, 2017	608,257	1,673,698	2,281,955
Intangible Assets, Net, December 31, 2017	$ 395,092	$ 647,088	$ 1,042,180
Weighted average amortization period (years)	3	5	

The estimated remaining amortization associated with finite-lived intangible assets is expected to be expensed as follows:

Year ending December 31,		Amount
2019	$	1,066,402
2020		280,725
2021		129,743
2022		103,711
2023		26,908
Total	$	1,607,489

8. Income Taxes

Income tax expense of $3,726,895 and $4,466,636 for the years ended December 31, 2018 and 2017, respectively, has been reported as a separate line item in the accompanying consolidated statements of activities for those entities that are subject to income taxes (Pro Mujer – Mexico, Pro Mujer - Bolivia, Pro Mujer – Nicaragua and PMI - Peru).

As of December 31, 2018, the Superintendencia Nacional de Administracion Tributaria (SUNAT) (Peruvian Internal Revenue Service) has approved PMI – Peru's request to renew its registration at its Registry of income tax exempted entities.

First Claim

In December 2017, SUNAT issued a resolution partially favorable to PMI - Peru, reducing $2,136,490 of the resulting potential contingency of this claim. As of December 31, 2018 and 2017, the approximate total contingency determined within the tax claim amounts to $12,000,000 and $0, respectively.

Second Claim

During the year 2018, Pro Mujer filed an appeal to be resolved by the Tax court. The approximate tax debt affected by the statute of limitation as of December 31, 2018 is the approximate total of $3,000,000.

As of December 31, 2018 and 2017, PMI - Peru has recorded a liability of $2,030,482 and $2,113,175, respectively, as a tax liability, which is included as other long-term liabilities in the accompanying consolidated statements of financial position. PMI - Peru incurred a tax expense in 2018 and 2017 of $0 and $364,479, respectively.

Pro Mujer - Argentina will submit a lawsuit at the court, related to the tax exemption request corresponding to 2018, which was denied by the Tax Administration. Although in 2018, Regulation No. 1170/18 published that the activities of Pro Mujer - Argentina have been tax exempted from 2018 onwards, the case is still pending to be confirmed by the court.

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

9. Guarantees Payable

In Peru, PMI - Peru collects and maintains savings deposits from clients, which are held in a bank account with Banco de Crédito de Peru. 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 client has fulfilled her liability. By order of PMI - Peru management, funds can only be applied to unpaid balances and/or refunds to clients.

As of December 31, 2018 and 2017 PMI - Peru contracted with the trustee, La Fiduciaria S.A, to administrate part of the client savings, which were put in an escrow account for the amount of $470,159 and $520,305, respectively.

The loan agreement signed by PMI – Peru's clients include a clause by which parties agree that PMI - Peru will be responsible for ownership and internal account management where client savings are deposited.

In Mexico, the liability is a liquid guarantee that constitutes 10% of the loan amount, which is provided by Pro Mujer - Mexico. The liquid guarantee is fully reimbursed to the client upon successful repayment of the outstanding loan amount. If the loan is renewed, a new liquid guarantee amount is provided for the new loan. See Note 2 for further discussion on assets whose use is limited.

Following is a summary of guarantees payable:

December 31,	**2018**	2017
Pro Mujer – Mexico	**$ 1,102,505**	$ 1,874,000
PMI – Peru	**497,428**	805,773
Total	**$ 1,599,933**	$ 2,679,773

10. Interest Payable

The majority of the note agreements are unsecured and bear interest at rates ranging from 1% to 32%. As of December 31, 2018 and 2017, the interest liability totaled $2,824,463 and $2,528,091, respectively. See Note 11 for further discussion on notes payable.

11. Notes Payable

Pro Mujer has entered into note agreements with various organizations with the funds being used to further Pro Mujer's mission. As of December 31, 2018 and 2017, the total liability to these organizations aggregated $93,804,680 and $110,438,824, respectively. The majority of the note agreements are unsecured.

The notes payable interest rates, maturity years and balances at December 31, 2018 by entity consisted of the following:

	Interest Rate Ranging from	Maturity Dates Ranging from	Total	Eliminations	Balance, December 31, 2018
Pro Mujer – Argentina	2.5 - 32.0%	2019 - 2021	$ 3,966,657	$ -	$ 3,966,657
Pro Mujer - Bolivia	4.0 - 9.6	2019 - 2022	64,501,692	-	64,501,692
Pro Mujer - Mexico	2.8 - 14.0	2019 - 2019	7,679,271	(1,900,000)	5,779,271
PMI - New York	1.0 - 5.0	2019 - 2022	6,890,833	-	6,890,833
Pro Mujer - Nicaragua	6.0 - 17.2	2019 - 2022	13,467,282	(801,055)	12,666,227
Total			$ 96,505,735	$ (2,701,055)	$ 93,804,680

The notes payable interest rates, maturity years and balances at December 31, 2017 by entity consisted of the following:

	Interest Rate Ranging from	Maturity Dates Ranging from	Total	Eliminations	Balance, December 31, 2017
Pro Mujer – Argentina	2.5 - 32.0%	2018 - 2021	$ 4,406,668	$ -	$ 4,406,668
Pro Mujer - Bolivia	4.0 - 9.6	2018 - 2022	63,459,181	-	63,459,181
Pro Mujer - Mexico	2.8 - 14.0	2018 - 2018	35,470	-	35,470
Pro Mujer – Mexico NGO	4.2 - 13.5	2018 - 2021	19,148,004	(2,000,000)	17,148,004
PMI - New York	1.0 - 5.0	2018 - 2022	6,382,500	-	6,382,500
Pro Mujer - Nicaragua	6.0 - 17.2	2018 - 2022	19,848,110	(841,109)	19,007,001
PMI - Peru	7.5 - 7.5	2018 - 2020	2,700,000	(2,700,000)	-
Total			$ 115,979,933	$ (5,541,109)	$ 110,438,824

Notes payable activity consisted of the following:

Year ended December 31,	**2018**	2017
Balance, January 1, 2018	**$ 110,438,824**	$ 105,432,955
Notes repaid	**(62,516,269)**	(62,681,182)
New notes issued	**47,248,571**	67,395,101
Effect of foreign currency	**(1,366,446)**	291,950
Balance, December 31, 2018	**$ 93,804,680**	$ 110,438,824

Following is a schedule of maturities as of December 31, 2018:

Year ending December 31,		
2019	$	42,079,318
2020		23,328,681
2021		12,556,420
2022		8,577,901
2023		7,262,360
Total		93,804,680
Less: current portion		(42,079,318)
Total Noncurrent	$	51,725,362

Pro Mujer is required to comply with certain covenants under its debt agreements. All such covenants were complied with or waived by the debt holder.

12. With Donor Restrictions

With donor restrictions - temporarily restricted net assets, which restricted in Pro Mujer-New York, consisted of the following:

December 31, 2018		
With donor restrictions:		
Purpose restricted	$	531,964

December 31, 2017		
With donor restrictions:		
Purpose restricted	$	638,853

With donor restrictions - temporarily released upon satisfaction of various program or donor restrictions for the year ended December 31 are as follows:

December 31, 2018		
With donor restrictions - temporarily released upon satisfaction of restrictions:		
Microlending in Peru	$	30,989
Integrating gender-based violence health		15,000
Project in Mexico-building a pathway for the economic empowerment of women in Latin America		106,886
Project in Argentina: smart campaign client protection certification for microfinance institutions		11,460
Project in Mexico: washing Machine Pilot		22,500
Project in Mexico: expansion of operations in remote areas of Mexico City		184,272
Deeping impact innovative women's healthcare in Bolivia		150,000
Program expense for a multiple year initiative -investing in low-income women's health in Mexico, Peru and Argentina		156,147
Total	$	677,254

December 31, 2017		
With donor restrictions - temporarily released upon satisfaction of restrictions:		
Project in Mexico-building a pathway for the economic empowerment of women in Latin America	$	400,503
Project in Mexico: washing Machine Pilot		127,500
Project in Mexico: expansion of operations in remote areas of Mexico City		198,000
Deeping impact innovative women's healthcare in Bolivia		150,000
Program expense for a multiple year initiative -investing in low-income women's health in Mexico, Peru and Argentina		115,534
Combating cancer among low-income women		90,751
Updates on two branches in Argentina		220,000
Information and technology approach and systems		1,170
Support for programs in Mexico		20,000
Multiple program expenses in Nicaragua		548,242
		1,871,700
Adjustment present value for time restricted grant		12,239
Total	$	1,883,939

For with donor restrictions – permanent, the Board of Directors has interpreted UPMIFA and NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted funds absent explicit donor stipulations to the contrary.

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

In accordance with UPMIFA and NYPMIFA, Pro Mujer considers the following factors in making a determination to appropriate or accumulate with donor restrictions - permanent:

- 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
- investment policies of the organization

At December 31, 2018 and 2017, the with donor restrictions – permanent balance was $150,948. All contributions to the endowment fund are to remain in perpetuity. Investment income generated by the fund may be used to support general operations.

The with donor restrictions - permanent fund is invested in mutual funds at December 31, 2018 and 2017.

The following table provides a reconciliation of the changes in the schedule of activities for the with donor restrictions - permanent fund:

Year ended December 31, 2018

With Donor Restrictions - Permanent, January 1, 2018	$	150,948
New contributions		-
Investment income		5,704
Appropriation of endowment assets for expenditures		(5,704)
With Donor Restrictions - Permanent, December 31, 2018	$	150,948

The following table provides a schedule of activities for permanently restricted net assets:

Year ended December 31, 2017

With Donor Restrictions - Permanent, January 1, 2017	$	140,873
New contributions		10,075
Investment income		4,017
Appropriation of endowment assets for expenditures		(4,017)
With Donor Restrictions - Permanent, December 31, 2017	$	150,948

The following table presented the total changes in with donor restrictions:

Year ended December 31, 2018

	With Donor Restrictions Temporarily	With Donor Restrictions Permanent	Total
Balance, January 1, 2018	$ 638,853	$ 150,948	$ 789,801
Grants and contributions	570,365	-	570,365
Investment income	-	5,704	5,704
Released upon satisfaction of restrictions	(677,254)	-	(677,254)
Appropriation of endowment assets for expenditures	-	(5,704)	(5,704)
Balance, December 31, 2018	$ 531,964	$ 150,948	$ 682,912

Year ended December 31, 2017

	With Donor Restrictions Temporarily	With Donor Restrictions Permanent	Total
Balance, January 1, 2018	$ 1,770,780	$ 140,873	$ 1,911,653
Grants and contributions	752,012	-	752,012
Investment income	-	14,092	14,092
Released upon satisfaction of restrictions	(1,883,939)	-	(1,883,939)
Appropriation of endowment assets for expenditures	-	(4,017)	(4,017)
Balance, December 31, 2018	$ 638,853	$ 150,948	$ 789,801

13. Liquidity and Availability of Resources

Pro Mujer's financial assets available within one year of the balance sheet date for general expenditures are as follow:

December 31, 2018		
Cash and cash equivalents	$	30,288,493
Restricted cash held in escrow		3,821,857
Investments at fair value		2,721,321
Accounts receivable net		670,028
Grants and pledges receivable, net, current portion		26,825
Loans receivable, net		117,444,374
Interest and commissions receivable		2,753,418
Financial Assets*		157,726,316
Less those unavailable for general expenditures within one year, due to:		
Subject to appropriation and satisfaction of donor restrictions		(531,964)
Short-term investments		(1,290,156)
Restricted cash held in escrow for clients -guarantees		(3,821,857)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$	152,082,339

* Total assets, less nonfinancial assets (e.g. property and equipment, intangibles, prepaids and other assets).

As part of Pro Mujer's liquidity management, the financial assets are to be available for its general expenditures, liabilities and other obligations as they come due. In addition, Pro Mujer invests cash in excess of daily requirements in short-term investments. Investments, further discussed in Note 3, include money market, equities, and mutual funds, all of which can be liquidated within 12 months.

14. Contingencies

Pro Mujer is a party to various legal actions arising out of the normal course of its operations, the final outcome of which cannot presently be determined. Management is of the opinion that the ultimate liability, if any, with respect to all of these matters may not have a material effect on Pro Mujer's financial position.

Pro Mujer provides capital assistance and training in several developing countries. Pro Mujer 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.

15. 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, 2018 and 2017 totaled $2,839,642 and $2,790,307, respectively.

16. Commitments

Leases of Premises

Pro Mujer has entered into various operating lease agreements for office space rentals, which expire at various dates though 2023. Certain of these leases include a pro rata share of the rented space real estate taxes and operating costs.

Under U.S. GAAP, lease expense is recognized on a straight-line basis over the term of the respective leases. Rent expense, including utilities, for the years ended December 31, 2018 and 2017 totaled $2,196,327 and $2,233,619, respectively.

Future minimum lease payments under the lease agreements are as follows at December 31, 2018:

Year ending December 31,		
2019	$	1,288,531
2020		607,107
2021		206,513
2022		68,295
2023		25,881
Total	$	2,196,327

17. Related-Party Transactions

In the course of business, PMI - New York executes transactions with its branch offices in Argentina, Bolivia, Mexico, Nicaragua and Peru.

As of December 31, 2018 and 2017, PMI – New York owes $7,407,182 and $309,839, respectively, from these offices, which are included in accounts payable and accounts receivable in the accompanying consolidating statements of financial position, respectively.

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

Year ending December 31,		**2018**		2017
Pro Mujer – Argentina	$	**-**	$	351,592
Pro Mujer - Bolivia		**-**		(44,668)
Pro Mujer – Mexico		**(10,000)**		(334,625)
Pro Mujer – Mexico NGO		**(974)**		(974)
Pro Mujer – Nicaragua		**(4,570,875)**		1,233
PMI – Nicaragua		**(2,008,957)**		(12,709)
PMI - Peru		**(816,376)**		(269,688)
Total	$	**(7,407,182)**	$	(309,839)

PMI - New York receives cost sharing fees from the aforementioned offices. The cost sharing fees are calculated based on various methods like the percentage of client participation based on number of clients and percentage of past due receivables in the countries. For countries that present losses, the allocated shared cost is not allocated. All cost sharing fee activities are eliminated in consolidation.

For the years ended December 31, 2018 and 2017, PMI – New York recognized cost sharing fee revenue of $4,349,094 and $4,096,108, respectively, from the aforementioned offices, which was eliminated in consolidation.

PMI - New York also provided contributions in 2018 and 2017 totaling $1,030,973 and $710,961, respectively, which is included and eliminated in the credit and other program services line of the consolidating schedules of activities.

Following is a summary of the amounts contributed to each of its entities and subsidiaries:

Year ending December 31,	**2018**	2017
Pro Mujer - Argentina	**$ 52,778**	$ -
Pro Mujer - Mexico	**447,714**	687,761
PMI - Peru	**68,814**	23,200
Wasi	**461,667**	-
Total	**$ 1,030,973**	$ 710,961

18. Subsequent Events

In preparing the accompanying consolidated financial statements, Pro Mujer has evaluated events and transactions for potential recognition or disclosure through June 24, 2019, the date the consolidated financial statements were issued. No events arose during the period that would require adjustments or additional disclosures other than:

On January 9, 2019, ILU Ventures GmbH (Ilu Switzerland) was incorporated as a limited liability company under the laws of Switzerland. Ilu Switzerland acts primarily as a holding company. Its purpose is the acquisition, long-term management and divestment of direct and indirect participation in any kinds of domestic and international businesses. Ilu Netherlands is the sole member of Ilu Switzerland.

On January 15, 2019, Asociacion Pro Mujer Innovacion Social (APIS) was incorporated as a non-profit organization under the laws of Peru. Ilu Netherlands and Ilu Switzerland are the only members of APIS, with equal rights and obligations of the organization.

On January 17, 2019, Innovasalud-Servicios de Salud S.A. was incorporated under the Bolivian law as a joint-stock corporation. PMI – New York owns 49% of the shares, Fundacion Solidaridad y Desarrollo Productivo Sostenible “Solydes” owns 49% of the shares, Alexandra Blanco Sejas owns 1% of the shares and Eduardo Andres Alvaez Alarcon owns 1% of the shares.

As of February 27, 2019, Asociacion Pro Mujer Educacion e Innovacion was incorporated as a non-profit organization under the laws of Peru. Ilu Netherlands and Ilu Switzerland are the only members of the organization, with equal rights and obligations of the organization.

Supplementary Information

Pro Mujer International

Consolidating Schedule of Financial Position

December 31, 2018

	Pro Mujer, Inc. and Subsidiaries													
	Pro Mujer, Inc.						Subsidiaries							
	PMI - New York	PMI - Bolivia	PMI - Nicaragua	PMI - Peru	Eliminations	Total	Pro Mujer - Bolivia	Pro Mujer - Argentina	Pro Mujer - Nicaragua	Pro Mujer - Mexico	Pro Mujer - Mexico NGO	WASI Social Innovation Inic.	Eliminations	Total
Assets														
Current														
Cash and cash equivalents	$ 12,676,244	$ 6,842,897	$ 2,393,817	$ 583,300	$ (2,008,956)	$ 20,487,302	$ 7,604,279	$ 446,286	$ 5,307,496	$ 737,120	$ 36,857	$ 239,573	$ (4,570,420)	$ 30,288,493
Restricted cash held in escrow	-	-	-	1,316,790	-	1,316,790	-	-	-	2,505,067	-	-	-	3,821,857
Investments, at fair value	201,470	31,400	-	960	-	233,830	1,280,219	1,205,272	2,000	-	-	-	-	2,721,321
Investments in affiliates	3,307,528	-	4,667,493	-	-	7,975,021	-	-	-	-	-	-	(7,975,021)	-
Accounts receivable, net	91,592	7,220	831,703	846,524	(826,755)	950,284	102,949	122,761	91,992	260,429	973	-	(859,360)	670,028
Grants and pledges receivable	26,825	-	-	-	-	26,825	-	-	-	-	-	-	-	26,825
Prepaid and other assets	252,072	18,357	8,091	96,667	-	375,187	1,081,993	-	38,590	858,308	32	21,270	-	2,375,380
Loans receivable, net	1,843,000	-	-	6,675,869	-	8,518,869	82,298,338	5,585,259	14,603,828	8,338,080	-	-	(1,900,000)	117,444,374
Interest and commissions receivable	11,111	-	65,152	272,073	-	348,336	1,332,976	241,380	728,496	178,491	-	-	(76,261)	2,753,418
Total Current Assets	18,409,842	6,899,874	7,966,256	9,792,183	(2,835,711)	40,232,444	93,700,754	7,600,958	20,772,402	12,877,495	37,862	260,843	(15,381,062)	160,101,696
Property and Equipment, Net	45,910	816,175	226,273	662,304	-	1,750,662	1,404,411	490,647	210,590	492,323	5,377	-	-	4,354,010
Intangible Assets, Net	-	-	-	440,835	-	440,835	755,152	335,106	16,786	59,610	-	-	-	1,607,489
Total Assets	$ 18,455,752	$ 7,716,049	$ 8,192,529	$ 10,895,322	$ (2,835,711)	$ 42,423,941	$ 95,860,317	$ 8,426,711	$ 20,999,778	$ 13,429,428	$ 43,239	$ 260,843	$ (15,381,062)	$ 166,063,195
Liabilities and Net Assets														
Current Liabilities														
Accounts payable and accrued liabilities	$ 7,656,202	$ 1,129,770	$ 188,426	$ 577,177	$ (2,835,711)	$ 6,715,864	$ 5,148,192	$ 490,042	$ 1,435,433	$ 1,173,461	$ 34,353	$ 52,101	$ (4,628,725)	$ 10,420,721
Income taxes payable	-	-	-	-	-	-	3,232,124	16,850	9,909	72,849	-	-	-	3,331,732
Guarantees payable	-	-	-	497,428	-	497,428	-	-	-	1,102,505	-	-	-	1,599,933
Interest payable, current portion	74,904	-	-	-	-	74,904	1,999,894	315,876	420,220	89,832	-	-	(76,263)	2,824,463
Notes payable, current portion	3,021,666	-	-	-	-	3,021,666	27,129,020	1,040,095	7,009,266	5,779,271	-	-	(1,900,000)	42,079,318
Total Current Liabilities	10,752,772	1,129,770	188,426	1,074,605	(2,835,711)	10,309,862	37,509,230	1,862,863	8,874,828	8,217,918	34,353	52,101	(6,604,988)	60,256,167
Notes Payable, less current portion	3,869,167	-	-	-	-	3,869,167	37,372,672	2,926,562	6,458,016	1,900,000	-	-	(801,055)	51,725,362
Other Long-Term Liabilities	-	-	-	2,030,482	-	2,030,482	-	-	-	-	-	-	-	2,030,482
Total Liabilities	14,621,939	1,129,770	188,426	3,105,087	(2,835,711)	16,209,511	74,881,902	4,789,425	15,332,844	10,117,918	34,353	52,101	(7,406,043)	114,012,011
Commitment and Contingencies (Notes 3, 10, 11, 13, 14, and 16)														
Net Assets														
Without donor restrictions	3,150,901	6,586,279	8,004,103	7,790,235	-	25,531,518	20,978,415	3,637,286	5,666,934	3,311,510	8,886	208,742	(7,975,019)	51,368,272
With donor restrictions	682,912	-	-	-	-	682,912	-	-	-	-	-	-	-	682,912
Total Net Assets	3,833,813	6,586,279	8,004,103	7,790,235	-	26,214,430	20,978,415	3,637,286	5,666,934	3,311,510	8,886	208,742	(7,975,019)	52,051,184
Total Liabilities and Net Assets	$ 18,455,752	$ 7,716,049	$ 8,192,529	$ 10,895,322	$ (2,835,711)	$ 42,423,941	$ 95,860,317	$ 8,426,711	$ 20,999,778	$ 13,429,428	$ 43,239	$ 260,843	$ (15,381,062)	$ 166,063,195

Pro Mujer International

Consolidating Schedule of Financial Position

December 31, 2017

	Pro Mujer, Inc. and Subsidiaries												
	Pro Mujer, Inc.						Subsidiaries						
	PMI - New York	PMI - Bolivia	PMI - Nicaragua	PMI - Peru	Eliminations	Total	Pro Mujer - Bolivia	Pro Mujer - Argentina	Pro Mujer - Nicaragua	Pro Mujer - Mexico	Pro Mujer - Mexico NGO	Eliminations	Total
Assets													
Current													
Cash and cash equivalents	$ 6,359,513	$ 7,843,740	$ 2,071,452	$ 801,899	$ -	$ 17,076,604	$ 7,445,993	$ 293,377	$ 1,620,431	$ 3,872,041	$ 54,796	$ -	$ 30,363,242
Restricted cash held in escrow	-	-	-	823,564	-	823,564	-	-	-	3,253,034	-	-	4,076,598
Investments, at fair value	217,661	31,400		945	-	250,006	87,799	204,240	2,000	-	-	-	544,045
Investments in affiliates	5,599,320	-	4,900,876	-	-	10,500,196	-	-	-	-	-	(10,500,196)	-
Accounts receivable, net	439,251	2,441	1,214,029	964,379	(336,347)	2,283,753	128,610	82,395	501,601	610,846	1,030	(1,948,205)	1,660,030
Grants and pledges receivable	300,880	-	-	-	-	300,880	-	-	-	-	-	-	300,880
Prepaid and other assets	89,637	16,688	9,299	90,851	-	206,475	992,050	-	76,887	719,802	208	-	1,995,422
Loans receivable, net	4,558,999	-	-	11,024,191	(2,700,000)	12,883,190	78,022,345	7,479,291	27,358,014	19,096,036	-	(2,000,000)	142,838,876
Interest and commissions receivable	57,589	-	68,410	332,695	(50,137)	408,557	1,285,790	229,484	1,231,677	520,010	-	(79,909)	3,595,609
Total Current Assets	17,622,850	7,894,269	8,264,066	14,038,524	(3,086,484)	44,733,225	87,962,587	8,288,787	30,790,610	28,071,769	56,034	(14,528,310)	185,374,702
Property and Equipment, Net	70,778	754,986	245,989	710,094	-	1,781,847	1,137,562	392,849	297,640	615,540	8,941	-	4,234,379
Intangible Assets, Net	-	-	-	537,820	-	537,820	87,623	380,103	14,981	21,653	-	-	1,042,180
Total Assets	$ 17,693,628	$ 8,649,255	$ 8,510,055	$ 15,286,438	$ (3,086,484)	$ 47,052,892	$ 89,187,772	$ 9,061,739	$ 31,103,231	$ 28,708,962	$ 64,975	$ (14,528,310)	$ 190,651,261
Liabilities and Net Assets													
Current Liabilities													
Accounts payable and accrued liabilities	$ 1,171,825	$ 1,397,416	$ 655,012	$ 573,646	$ (336,347)	$ 3,461,552	$ 3,977,133	$ 686,547	$ 2,269,173	$ 1,537,468	$ 24,331	$ (1,107,096)	$ 10,849,108
Income taxes payable	-	-	-	-	-	-	2,263,009	20,105	505,838	256,602	-	-	3,045,554
Guarantees payable	-	-	-	805,773	-	805,773	-	-	-	1,874,000	-	-	2,679,773
Interest payable	21,239	-	-	52,295	(50,137)	23,397	1,646,782	168,674	472,093	293,007	4,047	(79,909)	2,528,091
Notes payable, current portion	3,094,167	-	-	2,000,000	(2,000,000)	3,094,167	35,409,573	1,346,304	8,313,256	13,766,957	35,469	(2,000,000)	59,965,726
Total Current Liabilities	4,287,231	1,397,416	655,012	3,431,714	(2,386,484)	7,384,889	43,296,497	2,221,630	11,560,360	17,728,034	63,847	(3,187,005)	79,068,252
Notes Payable, less current portion	3,288,334	-	-	700,000	(700,000)	3,288,334	28,049,608	3,060,364	11,534,855	5,381,046	-	(841,109)	50,473,098
Other Long-Term Liabilities	-	-	-	2,113,175	-	2,113,175	-	-	-	-	-	-	2,113,175
Total Liabilities	7,575,565	1,397,416	655,012	6,244,889	(3,086,484)	12,786,398	71,346,105	5,281,994	23,095,215	23,109,080	63,847	(4,028,114)	131,654,525
Commitments and Contingencies													
Net Assets													
Without donor restrictions	9,328,262	7,251,839	7,855,043	9,041,549	-	33,476,693	17,841,667	3,779,745	8,008,016	5,599,882	1,128	(10,500,196)	58,206,935
With donor restrictions	789,801	-	-	-	-	789,801	-	-	-	-	-	-	789,801
Total Net Assets	10,118,063	7,251,839	7,855,043	9,041,549	-	34,266,494	17,841,667	3,779,745	8,008,016	5,599,882	1,128	(10,500,196)	58,996,736
Total Liabilities and Net Assets	$ 17,693,628	$ 8,649,255	$ 8,510,055	$ 15,286,438	$ (3,086,484)	$ 47,052,892	$ 89,187,772	$ 9,061,739	$ 31,103,231	$ 28,708,962	$ 64,975	$ (14,528,310)	$ 190,651,261

Pro Mujer International

Consolidating Schedule of Activities

Year ended December 31, 2018

	Pro Mujer, Inc. and Subsidiaries													
	Pro Mujer, Inc.						Subsidiaries							
	PMI - New York	PMI - Bolivia	PMI - Nicaragua	PMI - Peru	Eliminations	Total	Pro Mujer - Bolivia	Pro Mujer - Argentina	Pro Mujer - Nicaragua	Pro Mujer - Mexico	Pro Mujer - Mexico NGO	WASI Social Innovation Inic.	Eliminations	Total
Operating Revenues														
Financial revenues:														
Interest and commissions:														
From loans	$ 278,829	$ 205,764	$ 196,757	$ 3,725,062	$ (268,282)	$ 4,138,130	$ 27,221,441	$ 3,570,438	$ 14,065,562	$ 8,721,293	$ -	$ -	$ (136,399)	$ 57,580,465
From cash and cash equivalents	10,483	-	17,191	28,718	-	56,392	156,625	333,259	48,300	313,196	12	-	-	907,784
	289,312	205,764	213,948	3,753,780	(268,282)	4,194,522	27,378,066	3,903,697	14,113,862	9,034,489	12	-	(136,399)	58,488,249
Financial expenses:														
Interest expense	(354,710)	(23,874)	-	(187,482)	134,176	(431,890)	(3,982,035)	39,368	(2,950,293)	(2,000,861)	(5,580)	-	270,505	(9,060,786)
Allowance for loan losses	-	-	-	(1,187,485)	-	(1,187,485)	(1,993,671)	(34,483)	(3,234,754)	(2,399,110)	-	-	-	(8,849,503)
Financial Revenues, Net	(65,398)	181,890	213,948	2,378,813	(134,106)	2,575,147	21,402,360	3,908,582	7,928,815	4,634,518	(5,568)	-	134,106	40,577,960
Contributions and other revenue:														
Grants and contributions	1,310,417	-	-	50,287	(69,121)	1,291,583	-	153,133	8,340	208,516	372,808	461,667	(1,343,699)	1,152,348
Cost share	4,349,094	-	-	-	(1,575,539)	2,773,555	-	-	-	-	-	-	(2,773,555)	-
In-kind contributions	252,368	-	-	-	-	252,368	-	-	-	-	-	-	-	252,368
Other revenue	(13,239)	2,378,457	918,578	1,059,022	(504,337)	3,838,481	270,404	696,590	257,746	581,283	28,296	-	(73,834)	5,598,966
Gain in investments in affiliates	(3,291,792)	-	-	-	-	(3,291,792)	-	-	-	-	-	-	3,291,792	-
Gain on foreign exchange	-	-	50,368	(37,410)	-	12,958	(96,875)	259,709	166,950	19,079	(13,812)	-	-	348,009
Total Contributions and Other Revenue	2,606,848	2,378,457	968,946	1,071,899	(2,148,997)	4,877,153	173,529	1,109,432	433,036	808,878	387,292	461,667	(899,296)	7,351,691
Total Operating Net Revenue	2,541,450	2,560,347	1,182,894	3,450,712	(2,283,103)	7,452,300	21,575,889	5,018,014	8,361,851	5,443,396	381,724	461,667	(765,190)	47,929,651
Operating Expenses														
Program and supporting expenses:														
Credit and other program services	2,263,721	3,212,804	597,733	3,986,020	(814,216)	9,246,062	14,436,871	3,374,999	9,757,486	8,157,903	376,271	-	(3,220,888)	42,128,704
Management and general	2,119,700	160,781	61,538	425,049	-	2,767,068	770,146	207,847	455,313	501,231	2,244	252,925	-	4,956,774
Fundraising and development	2,114,469	-	-	-	-	2,114,469	-	-	-	-	-	-	-	2,114,469
Total Operating Expenses	6,497,890	3,373,585	659,271	4,411,069	(814,216)	14,127,599	15,207,017	3,582,846	10,212,799	8,659,134	378,515	252,925	(3,220,888)	49,199,947
Change in Net Assets, before nonoperating expenses	(3,956,440)	(813,238)	523,623	(960,357)	(1,468,887)	(6,675,299)	6,368,872	1,435,168	(1,850,948)	(3,215,738)	3,209	208,742	2,455,698	(1,270,296)
Nonoperating Expenses														
Income taxes expense	-	-	-	-	-	-	(3,232,124)	-	(164,759)	(330,012)	-	-	-	(3,726,895)
Translation adjustment	(26,188)	147,678	(374,563)	(290,957)	(14,140)	(558,170)	-	(2,496,228)	(325,375)	96,150	(188)	-	294,595	(2,989,216)
Cost share forgiveness	(2,301,622)	-	-	-	890,539	(1,411,083)	-	-	-	-	-	-	1,411,083	-
Investment in equity in affiliates	-	-	-	-	-	-	-	-	-	1,043,711	-	-	(1,043,711)	-
Prior-year currency translation adjustment	-	-	-	-	-	-	-	918,601	-	-	-	-	-	918,601
Prior-year adjustment	-	-	-	-	-	-	-	-	-	117,519	4,735	-	-	122,254
Total Nonoperating Expenses	(2,327,810)	147,678	(374,563)	(290,957)	876,399	(1,969,253)	(3,232,124)	(1,577,627)	(490,134)	927,368	4,547	-	661,967	(5,675,256)
Change in Net Assets	(6,284,250)	(665,560)	149,060	(1,251,314)	(592,488)	(8,644,552)	3,136,748	(142,459)	(2,341,082)	(2,288,370)	7,756	208,742	3,117,665	(6,945,552)
Net Assets, beginning of year	10,118,063	7,251,839	7,855,043	9,041,549	-	34,266,494	17,841,667	3,779,745	8,008,016	5,599,883	1,127	-	(10,500,196)	58,996,736
Net Assets, end of year	$ 3,833,813	$ 6,586,279	$ 8,004,103	$ 7,790,235	$ (592,488)	$ 25,621,942	$ 20,978,415	$ 3,637,286	$ 5,666,934	$ 3,311,513	$ 8,883	$ 208,742	$ (7,382,531)	$ 52,051,184

Pro Mujer International

Consolidating Schedule of Activities

Year ended December 31, 2017

	Pro Mujer, Inc. and Subsidiaries													
	Pro Mujer, Inc.						Subsidiaries							
	PMI - New York	PMI - Bolivia	PMI - Nicaragua	PMI - Peru	Eliminations	Total	Pro Mujer - Bolivia	Pro Mujer - Argentina	Pro Mujer - Nicaragua	Pro Mujer - Mexico	Pro Mujer - Mexico NGO	Eliminations	Total
Operating Revenues													
Financial revenues:													
Interest and commissions:													
From loans	$ 201,466	$ 200,631	$ 146,605	$ 6,135,494	$ (340,817)	$ 6,343,379	$ 25,364,208	$ 4,773,913	$ 14,933,813	$ 13,856,349	$ -	$ (11,491)	$ 65,260,171
From cash and cash equivalents	11,106	-	19,751	18,228	-	49,085	67,696	60,170	41,687	272,964	-	-	491,602
	212,572	200,631	166,356	6,153,722	(340,817)	6,392,464	25,431,904	4,834,083	14,975,500	14,129,313	-	(11,491)	65,751,773
Financial expenses:													
Interest expense	(197,013)	(26,944)	-	(886,031)	340,817	(769,171)	(4,133,930)	(697,089)	(2,895,241)	(2,335,870)	(4,237)	11,491	(10,824,047)
Allowance for loan losses	-	-	-	(1,652,221)	-	(1,652,221)	(1,842,769)	(188,232)	(974,258)	(2,087,449)	-	-	(6,744,929)
Financial Revenues, Net	15,559	173,687	166,356	3,615,470	-	3,971,072	19,455,205	3,948,762	11,106,001	9,705,994	(4,237)	-	48,182,797
Contributions and other revenue:													
Grants and contributions	1,467,601	-	-	23,200	(23,200)	1,467,601	-	519,875	54,167	741,586	160,376	(821,567)	2,122,038
Cost share	4,096,108	-	-	-	(1,161,214)	2,934,894	-	-	-	-	-	(2,934,894)	-
In-kind contributions	208,324	-	-	-	-	208,324	-	-	-	-	-	-	208,324
Other revenue	997,905	2,724,376	686,251	975,657	(394,431)	4,989,758	- 145,816	437,618	300,768	968,655	-	(439,805)	6,402,810
Gain/loss on foreign exchange	-	(26,944)	386	132,959	-	106,401	(87,454)	(223,441)	53,999	13,691	(3,545)	-	(140,349)
Total Contributions and Other Revenue (Expense), Net	6,769,938	2,697,432	686,637	1,131,816	(1,578,845)	9,706,978	58,362	734,052	408,934	1,723,932	156,831	(4,196,266)	8,592,823
Total Operating Net Revenue	6,785,497	2,871,119	852,993	4,747,286	(1,578,845)	13,678,050	19,513,567	4,682,814	11,514,935	11,429,926	152,594	(4,196,266)	56,775,620
Operating Expenses													
Program and supporting expenses:													
Credit and other program services	1,387,901	3,655,156	626,928	5,052,487	(1,578,845)	9,143,627	14,701,442	2,819,219	9,596,758	9,651,315	196,732	(3,756,461)	42,352,632
Management and general	2,814,100	96,759	43,951	364,741	-	3,319,551	706,888	168,325	420,916	354,300	-	-	4,969,980
Fundraising and development	1,755,958	-	-	-	-	1,755,958	-	-	-	-	-	-	1,755,958
Total Operating Expenses	5,957,959	3,751,915	670,879	5,417,228	(1,578,845)	14,219,136	15,408,330	2,987,544	10,017,674	10,005,615	196,732	(3,756,461)	49,078,570
Change in Net Assets, before nonoperating expenses	827,538	(880,796)	182,114	(669,942)	-	(541,086)	4,105,237	1,695,270	1,497,261	1,424,311	(44,138)	(439,805)	7,697,050
Nonoperating Expenses													
Income tax expense	-	-	-	(364,479)	-	(364,479)	(2,263,009)	-	(669,771)	(1,169,377)	-	-	(4,466,636)
Translation adjustment	(7,285)	26,944	(281,866)	270,466	-	8,259	-	(473,649)	(363,886)	208,337	2,042	245,038	(373,859)
Prior-year adjustment	-	-	-	(54,599)	-	(54,599)	-	-	-	(23,419)	(8,310)	-	(86,328)
Total Nonoperating Expenses	(7,285)	26,944	(281,866)	(148,612)	-	(410,819)	(2,263,009)	(473,649)	(1,033,657)	(984,459)	(6,268)	245,038	(4,926,823)
Change in Net Assets	820,253	(853,852)	(99,752)	(818,554)	-	(951,905)	1,842,228	1,221,621	463,604	439,852	(50,406)	(194,767)	2,770,227
Net Assets, beginning of year	9,297,810	8,105,691	7,954,795	9,860,103	-	35,218,399	15,999,439	2,558,124	7,544,412	5,160,031	51,533	(10,305,429)	56,226,509
Net Assets, end of year	$ 10,118,063	$ 7,251,839	$ 7,855,043	$ 9,041,549	$ -	$ 34,266,494	$ 17,841,667	$ 3,779,745	$ 8,008,016	$ 5,599,883	$ 1,127	$ (10,500,196)	$ 58,996,736