

Pro Mujer International

Consolidated Financial Statements and Supplementary Information Years Ended December 31, 2019 and 2018

Pro Mujer International

Consolidated Financial Statements and Supplementary Information
Years Ended December 31, 2019 and 2018

Pro Mujer International

Contents

Independent Auditor's Report	3-4
Consolidated Financial Statements	
Statements of Financial Position as of December 31, 2019 and 2018	5
Statement of Activities for the Year Ended December 31, 2019	6
Statement of Activities for the Year Ended December 31, 2018	7
Statement of Functional Expenses for the Year Ended December 31, 2019	8
Statement of Functional Expenses for the Year Ended December 31, 2018	9
Statements of Cash Flows for the Years Ended December 31, 2019 and 2018	10
Notes to Consolidated Financial Statements	11-42
Supplementary Information	
Consolidating Schedule of Financial Position as of December 31, 2019	44
Consolidating Schedule of Financial Position as of December 31, 2018	45
Consolidating Schedule of Activities for the Year Ended December 31, 2019	46
Consolidating Schedule of Activities for the Year Ended December 31, 2018	47
Consolidated Schedule of Financial Position (WASI and Affiliates) for the Year Ended December 31, 2019	48
Consolidated Schedule of Activities (WASI and Affiliates) for the Year Ended December 31, 2019	49



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, 2019 and 2018, 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 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 \$115,553,103 and 103,576,363 at December 31, 2019 and 2018, respectively, and total revenues of \$23,683,566 and 24,136,233 for the years then ended. Those statements were audited by other auditors in accordance with International Standards on Auditing, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the subsidiary, is based solely on the report of, and additional audit procedures to meet the relevant requirements of auditing standards generally accepted in the United States of America performed by, the other auditors. We conducted our audit 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 report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Pro Mujer International as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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, 2019 and 2018 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 30, 2020

Pro Mujer International
Consolidated Statements of Financial Position

<i>December 31,</i>	2019	2018
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 23,529,529	\$ 30,288,493
Restricted cash held in escrow (Note 2)	2,546,408	3,821,857
Investments at fair value (Notes 2 and 3)	3,273,160	2,721,321
Accounts receivable, net (Note 2)	775,133	670,028
Grants and pledges receivable (Notes 2 and 6)	89,335	26,825
Prepaid and other assets (Note 2)	4,820,346	2,375,380
Loans receivable, net (Notes 2 and 5)	137,086,468	117,444,374
Interest and commissions receivable (Note 2)	2,814,278	2,753,418
Total Current Assets	174,934,657	160,101,696
Investments in Equity (Note 4)	716,312	-
Property and Equipment, Net (Notes 2 and 7)	5,080,057	4,354,010
Intangible Assets, Net (Notes 2 and 8)	1,228,646	1,607,489
Total Assets	\$ 181,959,672	\$ 166,063,195
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 10,403,619	\$ 10,420,721
Income taxes payable (Note 9)	4,313,427	3,331,732
Guarantees payable (Note 10)	1,643,804	1,599,933
Interest payable, current portion (Notes 2 and 11)	4,795,666	2,824,463
Notes payable, current portion (Note 12)	42,130,013	42,079,318
Total Current Liabilities	63,286,529	60,256,167
Notes Payable, less current portion (Note 12)	70,594,150	51,725,362
Other Long-Term Liabilities (Note 9)	2,066,632	2,030,482
Total Liabilities	135,947,311	114,012,011
Commitment and Contingencies (Notes 3, 9, 10, 11, 13, 14, 15, and 17)		
Net Assets		
Without donor restrictions (Note 2)	45,486,012	51,368,272
With donor restrictions (Notes 2 and 13)	526,349	682,912
Total Net Assets	46,012,361	52,051,184
Total Liabilities and Net Assets	\$ 181,959,672	\$ 166,063,195

See accompanying notes to consolidated financial statements.

Pro Mujer International
Consolidated Statement of Activities

Year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Financial revenues:			
Interest and commissions:			
From loans	\$ 52,521,288	\$ -	\$ 52,521,288
From cash and cash equivalents	1,031,815	-	1,031,815
Total Financial Revenues	53,553,103	-	53,553,103
Financial expenses:			
Interest expense	(7,891,698)	-	(7,891,698)
Allowance for loan losses (Note 5)	(4,662,276)	-	(4,662,276)
Financial Revenues, Net	40,999,129	-	40,999,129
Contributions and other revenue:			
Grants and contributions	686,034	458,326	1,144,360
In-kind contributions (Note 2)	160,524	-	160,524
Other revenue	4,150,305	5,015	4,155,320
Loss on foreign exchange	(477,131)	-	(477,131)
Net assets released from restrictions (Notes 13 and 14)	619,904	(619,904)	-
Total Contributions and Other Revenue	5,139,636	(156,563)	4,983,073
Total Operating Revenue	46,138,765	(156,563)	45,982,202
Operating expenses:			
Program and supporting expenses:			
Credit and other program services	40,350,140	-	40,350,140
Management and general	4,975,604	-	4,975,604
Fundraising and development	1,786,005	-	1,786,005
Total Operating Expenses	47,111,749	-	47,111,749
Change in Net Assets from Operating Activities	(972,984)	(156,563)	(1,129,547)
Nonoperating Activities			
Income tax expenses (Notes 2 and 9)	(3,539,202)	-	(3,539,202)
Translation adjustment	(1,908,954)	-	(1,908,954)
Investment in equity	(742,606)	-	(742,606)
Gain on purchase	1,131,822	-	1,131,822
Prior-year adjustment	(41,237)	-	(41,237)
Prior-year translation adjustment	190,901	-	190,901
Change in Net Assets from Nonoperating Activities	(4,909,276)	-	(4,909,276)
Change in Net Assets	(5,882,260)	(156,563)	(6,038,823)
Net Assets, beginning of year	51,368,272	682,912	52,051,184
Net Assets, end of year	\$ 45,486,012	\$ 526,349	\$ 46,012,361

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 Activities			
Financial revenues:			
Interest and commissions:			
From loans	\$ 57,580,465	\$ -	\$ 57,580,465
From cash and cash equivalents	907,784	-	907,784
Total Financial Revenues	58,488,249	-	58,488,249
Financial expenses:			
Interest expense	(9,060,786)	-	(9,060,786)
Allowance for loan losses (Note 5)	(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 on foreign exchange	348,009	-	348,009
Net assets released from restrictions (Note 13)	682,958	(682,958)	-
Total Contributions and Other Revenue	7,458,580	(106,889)	7,351,691
Total Operating 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 from Operating Activities	(1,163,407)	(106,889)	(1,270,296)
Nonoperating Activities			
Income tax expense (Notes 2 and 9)	(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
Change in Net Assets from Nonoperating Activities	(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 Functional Expenses

Year ended December 31, 2019

	Credit and Other Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 14,623,225	\$ 1,741,442	\$ 1,040,718	\$ 17,405,385
Fringe benefits (Note 16)	8,333,519	719,284	259,193	9,311,996
Professional fees (Note 2(m))	2,047,154	1,080,956	45,490	3,173,600
Travel and transportation	1,033,132	114,155	165,333	1,312,620
Office supplies and expenses	1,020,312	73,558	3,962	1,097,832
Rent and utilities (Note 17)	4,355,308	352,400	63,280	4,770,988
Printing and copying	176,880	23,366	11,014	211,260
Vehicles, registration and insurance	613,752	78,592	28,239	720,583
Training and professional development	161,345	64	323	161,732
Depreciation and amortization	1,573,185	278,091	8,021	1,859,297
Events and advertising	312,809	6,869	39,734	359,412
Miscellaneous taxes	1,178,268	141,689	-	1,319,957
Donation expense	111,650	-	-	111,650
Financial expenses	-	212,472	-	212,472
Other program operating expenses	3,860,278	-	-	3,860,278
Other expenses	949,323	152,666	120,698	1,222,687
Total	\$ 40,350,140	\$ 4,975,604	\$ 1,786,005	\$ 47,111,749

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 16)	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 17)	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 Statements of Cash Flows

<i>Year ended December 31,</i>	2019	2018
Cash Flows from Operating Activities		
Change in net assets	\$ (6,038,823)	\$ (6,945,552)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	1,122,109	1,105,056
Amortization	737,188	503,438
Donated stock	(125,390)	(137,353)
Realized gain on sale of investments	2,953	-
Unrealized (gain) loss on investments	(135,846)	507,559
Loan receivable write-offs	(5,925,563)	(6,991,156)
Provision for allowance for doubtful accounts on loans receivable	4,422,530	8,880,612
Effect on foreign currency movements	(68,967)	(382,344)
Loss on disposal of furniture and equipment	261,625	56,944
Change in valuation of capital assets	651,092	(275,489)
Loss on disposal of intangible assets	176,721	624,773
Change in valuation of intangible assets	(223,638)	(108,383)
Change in valuation of notes payable	(989,576)	(1,366,446)
Change in investment in affiliates	(716,312)	-
(Increase) decrease in:		
Accounts receivable	(105,105)	990,002
Grants and pledges receivable	(62,510)	274,060
Prepaid and other assets	(2,444,969)	(379,960)
Interest and commissions receivable	(60,860)	842,191
Increase (decrease) in:		
Accounts payable and accrued liabilities	(17,102)	(428,387)
Interest payable	1,971,203	296,372
Income taxes payable	981,695	286,178
Other long-term liabilities	36,150	(82,693)
Net Cash Used in Operating Activities	(6,551,395)	(2,730,578)
Cash Flows from Investing Activities		
Purchases of investments	(36,019,581)	(4,790,956)
Proceeds from sales/maturities of investments	35,726,024	2,243,474
Purchases of property and equipment	(2,760,871)	(1,006,144)
Purchases of intangible assets	(311,426)	(1,585,138)
Net (decrease) increase in loans receivable	(18,070,094)	23,887,390
Net Cash (Used in) Provided by Investing Activities	(21,435,948)	18,748,626
Cash Flows from Financing Activities		
Payments from guarantees payable	43,871	(1,079,840)
Proceeds from notes payable	63,464,069	47,248,571
Principal payments on notes payable	(43,555,010)	(62,516,269)
Net Cash Provided by (Used in) Financing Activities	19,952,930	(16,347,538)
Net Decrease in Cash and Cash Equivalents	(8,034,413)	(329,490)
Cash, Cash Equivalents, and Restricted Cash, beginning of year	34,110,350	34,439,840
Cash, Cash Equivalents, and Restricted Cash, end of year	\$ 26,075,937	\$ 34,110,350
Supplemental Disclosures of Cash Flow Information		
Interest paid	\$ 5,920,495	\$ 8,764,414
Income taxes paid	2,603,473	3,440,717

See accompanying notes to consolidated financial statements.

Pro Mujer International

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 (IRC) 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.

During 2019, Pro Mujer served nearly 250,000 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, disbursing more than \$220 million during 2019. In addition, Pro Mujer offers primary healthcare and well-being services, preventative health education, and business and empowerment training, delivering more than 400,000 health interventions during 2019. 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 underserved 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 cycles. 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 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.

Pro Mujer International

Notes to Consolidated Financial Statements

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.

Switzerland

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 kind of domestic and international business. Ilu Netherlands is the sole member of Ilu Switzerland.

Argentina

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

Ilumina Soluciones Financieras SA (Ilumina) is incorporated as a for-profit organization under the laws of Argentina and has its license to operate as a financial entity. Ilumina was incorporated on September 11, 2019. ILU Ventures B.V. is the member who owns 97.76% and holds control of the entity.

On September 12, 2019, ILU Ventures B.V. acquired 66.68% of the shares of Ilumina Soluciones Financieras SA (formerly Fie Gran Poder S.A.) and on October 12, 2019 also acquired 31.08%, making a total ownership stake of 97.76% of the shares.

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.

On January 17, 2019, Innovasalud-Servicios de Salud, S.A. (Innova Salud) was incorporated under the Bolivian law as a joint-stock corporation. PMI - New York owns 49% of the shares, totaling \$199,950, which was eliminated upon consolidation. Fundacion Solidaridad and Desarrollo Productivo Sostenible "Solydes" owns 49% of the shares.

Pro Mujer International

Notes to Consolidated Financial Statements

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, 2019 and 2018, the investments held by PMI - New York in Pro Mujer - Nicaragua and PMI - Nicaragua totaled \$5,224,906 and \$4,667,493, 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. At December 31, 2019 and 2018, the investment held by PMI - New York in Pro Mujer - Mexico totaled \$4,407,481 and \$3,307,528, 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 Pro Mujer, with equal rights and obligations to Pro Mujer.

Ilu Ventures Mexico, S.A was incorporated as a for-profit organization under the laws of Mexico. ILU Ventures Mexico, S.A. was incorporated June 19, 2019. ILU Ventures B.V. owns 99.9% and ILU Ventures GmbH owns 00.01% and are the only members.

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.

Asociación Pro Mujer Innovación Social (Asociación Social) is a non-profit organization under the laws of Peru. The Asociación Social was incorporated on January 15th, 2019. Ilu Ventures V.B. and Ilu Ventures GmbH are the only members of Asociación Social, with equal rights and obligations to Pro Mujer.

Asociación Pro Mujer Educación e Innovación (Asociación Innovación) is a non-profit organization under the laws of Peru. The Asociación Innovación was incorporated on February 27th, 2019. Ilu Ventures V.B. and Ilu Ventures GmbH are the only members of Asociación Innovación, with equal rights and obligations to Pro Mujer.

Pro Mujer International

Notes to Consolidated Financial Statements

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

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (ASU 2016-18)*. ASU 2016-18 requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash

Pro Mujer International

Notes to Consolidated Financial Statements

equivalents in the statement of cash flows. The standard is effective for fiscal years beginning after December 15, 2018. Pro Mujer has adopted this ASU and has applied the retrospective transition method for each period presented.

For purposes of the consolidated statements of cash flows, Pro Mujer considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. Pro Mujer's investments are held with an initial maturity over three months and are, therefore, not considered cash and cash equivalents.

<i>December 31,</i>	2019		2018	
Cash and cash equivalents	\$	23,529,529	\$	30,288,493
Restricted cash held in escrow		2,546,408		3,821,857
Total	\$	26,075,937	\$	34,110,350

Accounts Receivable, Net

Accounts receivables are comprised of credits due from vendors and advances to employees. Pro Mujer provides an allowance for doubtful accounts for various receivables balances, which are specifically identified by management as to their uncertainty in regard to collectability. All amounts are stated at fair value. The allowance with respect to accounts receivable at December 31, 2019 and 2018 was \$719,982 and \$714,241, respectively.

Loans Receivable, Net

Loans receivable include loans made by Pro Mujer through its micro financing programs 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, 2019 and 2018.

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.

Pro Mujer International

Notes to Consolidated Financial Statements

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, the principal amounts are recorded as other program revenue in the year of the recovery; and the recovered interests are included in interest and commissions from loans in the consolidated statements of activities.

Restricted Cash Held in Escrow

Restricted cash held in escrow 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:

<i>December 31,</i>	2019		2018	
PMI - Peru	\$	740,194	\$	1,316,790
Pro Mujer - Mexico		1,806,214		2,505,067
Total	\$	2,546,408	\$	3,821,857

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

Pro Mujer International

Notes to Consolidated Financial Statements

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.

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

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, 2019 and 2018.

Contributed Services

Services provided for legal, advertising and other services were donated to Pro Mujer. The estimated fair market value of these services for 2019 and 2018 was \$160,524 and \$252,368, 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.

Ilu Switzerland was registered with the commercial registry in Zug; having its domicile in Switzerland GmbH. It is subject to income tax in Switzerland. The tax rate amounts to approximately 12-13%.

Pro Mujer International

Notes to Consolidated Financial Statements

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 for 2018 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 2019 and 2018 of \$3,687,945 and \$3,232,124, respectively.

Pro Mujer - Mexico NGO is exempt from Mexican income taxes in accordance with Mexican tax law.

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 (credit) expense for 2019 and 2018 of \$(292,171) and \$330,012, 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 3% (1% before March 1, 2019) of total net assets or 30% of net taxable income. Pro Mujer - Nicaragua incurred income tax expense of \$339,748 and \$164,759 during 2019 and 2018, 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, 2019 and 2018, 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.

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.

Pro Mujer International

Notes to Consolidated Financial Statements

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 each 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, 2019 and 2018, 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.

Investments at Fair Value

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 who 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.

Pro Mujer International

Notes to Consolidated Financial Statements

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 unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments.

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 Pro Mujer'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 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. The provisions of ASU 2015-15 became effective for Pro Mujer beginning January 1, 2019.

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

Pro Mujer International

Notes to Consolidated Financial Statements

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. The provisions of ASU 2016-18 became affective for Pro Mujer beginning January 1, 2019.

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, 2019. 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 the ASU 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, 2021 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.

Pro Mujer International

Notes to 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 2019 and 2018 amounted to \$(1,903,548) and \$(2,989,216), respectively, and are reflected in the consolidated statements of activities.

Prior-Year Currency Translation Adjustment

The financial statements as of December 31, 2019 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 53.81% and 47.64% in the years ended December 31, 2019 and 2018, 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, 2019 and 2018, prior-year currency translation adjustments recorded within the consolidated statements of activities amounted to \$223,559 and \$918,601, respectively.

Pro Mujer International

Notes to Consolidated Financial Statements

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 U.S. 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.

Pro Mujer International

Notes to Consolidated Financial Statements

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 2018 balances have been reclassified to be consistent with the consolidated 2019 financial statement presentation. The reclassifications had no impact on net assets.

3. Investments and Fair Value Measurements

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:

Pro Mujer International

Notes to Consolidated Financial Statements

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, 2019 and 2018. In addition, there were no transfers between levels during the years ended December 31, 2019 and 2018.

December 31, 2019

		Level 1	Total
Investments at fair value:			
Money market funds	\$	259,053	\$ 259,053
Equity securities		1,272,810	1,272,810
Mutual funds		101,425	101,425
Certificates of deposit		1,639,872	1,639,872
Total Investments at Fair Value	\$	3,273,160	\$ 3,273,160

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

Pro Mujer International

Notes to Consolidated Financial Statements

4. Investments in Equity

Net equity value is as follows:

December 31, 2019

ILU International Limited Partnership	\$	500,000
Deetken Pro Mujer Management Inc.		16,362
Innova Salud S.A.		199,950
Total	\$	716,312

In 2019, Pro Mujer invested \$500,000 of Class B Limited Partnership units of Ilu International Limited Partnership.

Pro Mujer made a capital contribution equal to 25% of shares with Deetken Pro Mujer Management Inc.; 500,000 Class A voting common shares without par value.

Pro Mujer made a capital contribution of 49% of the shares with Innova Salud S.A.

5. Loans Receivable, Net and Allowance for Loan Losses

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

The following is an analysis of the change in the allowance accounts:

December 31, 2019

Allowance for doubtful accounts:		
Balance, January 1, 2019	\$	10,185,010
Credit loss provision for the year:		
Charges		4,422,530
Amounts written off		(5,925,563)
Effect of foreign currency movements		(68,967)
Balance, December 31, 2019	\$	8,613,010

Year ended December 31, 2019

Total loan principal	\$	145,699,478
Allowance for loan losses		(8,613,010)
Total Loans Receivable, Net	\$	137,086,468

Pro Mujer International

Notes to Consolidated Financial Statements

The 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

December 31, 2018

Total loan principal	\$	127,629,384
Allowance for loan losses		(10,185,010)
Total Loans Receivable, Net	\$	117,444,374

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 that occurred after the initial recording. 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.

Pro Mujer International

Notes to Consolidated Financial Statements

6. 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:

<i>December 31,</i>		2019		2018
Total grants receivable	\$	60,000	\$	-
Total pledges receivable		29,335		26,825
Net Present Value of Grants and Pledges Receivables	\$	89,335	\$	26,825

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Pro Mujer International

Notes to Consolidated Financial Statements

7. Property and Equipment, Net

As of December 31, 2019, 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, 2019	\$ 291,575	\$ 1,283,901	\$ 612,930	\$ 4,463,859	\$ 4,927,643	\$ 1,645,962	\$ 144,979	\$ 13,370,849
Acquisitions	-	-	67,046	451,358	2,228,582	9,418	4,467	2,760,871
Disposals	-	-	(258,145)	(99,249)	(95,914)	(81,011)	(12,537)	(546,856)
Currency translation	4,312	11,268	-	(23,062)	(705,583)	21,035	-	(692,030)
Cost Balance, December 31, 2019	295,887	1,295,169	421,831	4,792,906	6,354,728	1,595,404	136,909	14,892,834
Accumulated Depreciation								
Balance, January 1, 2019	-	344,676	418,811	3,785,048	3,259,879	1,124,884	83,541	9,016,839
Depreciation	-	38,207	64,838	344,390	546,482	118,453	9,739	1,122,109
Disposals	-	-	(240,641)	(89,035)	117,368	(61,222)	(11,701)	(285,231)
Currency translation	-	3,957	-	(69,829)	16,990	7,942	-	(40,940)
Accumulated Depreciation Balance, December 31, 2019	-	386,840	243,008	3,970,574	3,940,719	1,190,057	81,579	9,812,777
Property and Equipment, Net, December 31, 2019	\$ 295,887	\$ 908,329	\$ 178,823	\$ 822,332	\$ 2,414,009	\$ 405,347	\$ 55,330	\$ 5,080,057

Pro Mujer International

Notes to Consolidated Financial Statements

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	11,063	1,105,056
Disposals	-	(445)	(703,062)	(114,591)	(44,952)	(23,188)	(10,717)	(896,955)
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

Pro Mujer International

Notes to Consolidated Financial Statements

8. Intangible Assets, Net

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

December 31, 2019

	Software	Licenses	Total
Gross Balance, January 1, 2019	\$ 1,318,782	\$ 3,213,421	\$ 4,532,203
Acquisitions	158,208	153,218	311,426
Disposals	(73,326)	(122,458)	(195,784)
Currency translation	223,641	-	223,641
Gross Balance, December 31, 2019	1,627,305	3,244,181	4,871,486
Accumulated Amortization Balance, January 1, 2019	966,892	1,957,825	2,924,717
Depreciation and amortization	374,009	363,179	737,188
Disposals	(56,582)	37,517	(19,065)
Accumulated Amortization Balance, December 31, 2019	1,284,319	2,358,521	3,642,840
Intangible Assets, Net, December 31, 2019	\$ 342,986	\$ 885,660	\$ 1,228,646
Weighted average amortization period (years)	3	5	

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
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	

Pro Mujer International

Notes to Consolidated Financial Statements

The estimated remaining amortization at December 31, 2019 associated with finite-lived intangible assets is expected to be expensed as follows:

<i>Year ending December 31,</i>		<i>Amount</i>
2020	\$	687,556
2021		280,725
2022		129,743
2023		103,711
2024		26,911
Total	\$	1,228,646

9. Income Taxes

Income tax expense of \$3,539,202 and \$3,726,895 for the years ended December 31, 2019 and 2018, 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, 2019, 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 2019, SUNAT issued a resolution fully favorable to PMI - Peru, which resolves years 2007 and 2008 of what is considered the first claim.

Second Claim

In December 2018, Pro Mujer filed an appeal to be resolved by the Tax court. This dispute covers fiscal years 2009 to 2014. As of December 31, 2019 and 2018, the approximate total contingency determined within the tax claim amounts to \$13,600,000 and \$12,000,000, respectively.

In addition, during 2019, PMI - Peru filed a protective lawsuit to be resolved by the Constitutional Courts. The matter in controversy is the statute of limitations affecting the tax debt for Income Tax 2009 to 2011, which would prevent the Peru Tax Administration from collecting a tax debt of approximately \$4,600,000. The case is still pending to be resolved by the court.

In the opinion of the entity's legal advisors, it is estimated that the success rate of the dispute is 60% in favor of PMI - Peru.

As of December 31, 2019 and 2018, PMI - Peru has recorded a liability of \$2,066,632 and \$2,030,482, respectively, as a tax liability, which is included as other long-term liabilities in the accompanying consolidated statements of financial position. PMI - Peru incurred no tax expense in 2019 and 2018.

Pro Mujer - Argentina will submit a lawsuit at the court, related to the tax exemption request corresponding to 2018, which was denied by the Argentina Tax Administration. Although in 2018,

Pro Mujer International

Notes to Consolidated Financial Statements

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 that require disclosure or recognition within the consolidated financial statements with respect to the other entities.

10. 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% 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.

PMI - Peru has contracted with the trustee, La Fiduciaria S.A, to administrate part of the client savings, which were put in an escrow account. As of December 31, 2019, the contract was voided, and the funds were transferred to PMI - Peru's bank accounts in the amount of \$470,159.

The loan agreement signed by PMI - Peru's clients includes 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.

The following is a summary of guarantees payable:

<i>December 31,</i>	2019		2018	
Pro Mujer - Mexico	\$	1,244,434	\$	1,102,505
PMI - Peru		399,370		497,428
Total	\$	1,643,804	\$	1,599,933

11. Interest Payable

The majority of the note agreements are unsecured and bear interest at rates ranging from 1% to 63%. As of December 31, 2019 and 2018, the interest liability totaled \$4,795,666 and \$2,824,463, respectively. See Note 11 for further discussion on notes payable.

Pro Mujer International

Notes to Consolidated Financial Statements

12. 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, 2019 and 2018, the total liability to these organizations aggregated \$112,724,163 and \$93,804,680, respectively. The majority of the note agreements are unsecured.

The notes payable interest rates, maturity years and balances at December 31, 2019 by entity consisted of the following:

	Interest Rate Ranging from (%)	Maturity Dates Ranging from	Total	Eliminations	Balance
Pro Mujer - Argentina	3.75-63.00	2020-2023	\$ 3,807,315	\$ -	\$ 3,807,315
Pro Mujer - Bolivia	5.50-08.30	2020-2024	79,208,556	-	79,208,556
Pro Mujer - Mexico	4.20-14.95	2020-2024	10,216,570	(1,000,000)	9,216,570
PMI - New York	1.00-11.40	2020-2026	12,324,166	-	12,324,166
Pro Mujer - Nicaragua	8.00-20.00	2020-2022	8,447,285	(1,966,304)	6,480,981
Ilumina	8.00-83.00	2020-2022	2,637,210	(950,635)	1,686,575
WASI	9.50	2026	750,000	(750,000)	-
Total			\$117,391,102	\$ (4,666,939)	\$112,724,163

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
Pro Mujer - Argentina	2.5-32.0	2019-2021	\$ 3,966,657	\$ -	\$ 3,966,657
Pro Mujer - Bolivia	4.0-09.6	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	1.0-05.0	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

Notes payable activity consisted of the following:

<i>Year ended December 31,</i>	2019	2018
Balance, January 1, 2019	\$ 93,804,680	\$ 110,438,824
Notes repaid	(43,555,010)	(62,516,269)
New notes issued	63,464,069	47,248,571
Effect of foreign currency	(989,576)	(1,366,446)
Balance, December 31, 2019	\$ 112,724,163	\$ 93,804,680

Pro Mujer International

Notes to Consolidated Financial Statements

The following is a schedule of maturities as of December 31, 2019:

Year ending December 31,

2020	\$	42,130,013
2021		27,171,144
2022		22,754,653
2023		10,380,341
2024		10,288,012
Total		112,724,163
Less: current portion		(42,130,013)
Total Noncurrent	\$	70,594,150

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.

13. With Donor Restrictions

The following tables present the total changes in with donor restrictions:

Year ended December 31, 2019

	With Donor Restrictions Temporarily	With Donor Restrictions Permanent	Total
Balance, January 1, 2019	\$ 531,964	\$ 150,948	\$ 682,912
Grants and contributions	458,326	-	458,326
Investment income	-	5,015	5,015
Released upon satisfaction of restrictions	(614,889)	-	(614,889)
Appropriation of endowment assets for expenditures	-	(5,015)	(5,015)
Balance, December 31, 2019	\$ 375,401	\$ 150,948	\$ 526,349

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

Pro Mujer International

Notes to Consolidated Financial Statements

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

December 31, 2019

With donor restrictions: Purpose restricted	\$ 375,401
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December 31, 2018

With donor restrictions: Purpose restricted	\$ 531,964
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With donor restrictions - temporarily released upon satisfaction of various program or donor restrictions are as follows:

December 31, 2019

With donor restrictions—temporarily released upon satisfaction of restrictions:	
Microlending in Peru	\$ 24,535
Project in Mexico—Support of Learning from Failure: Strengthening Women-Led Microenterprises	166,461
Project in Mexico—restricted to country programs	40,000
Program expense for a multiple year initiative—New Ventures Pioneers, early stage impact investing	90,000
Vision Education Project	17,035
Project in Mexico and Peru	10,637
Project in Mexico—expansion of operations in remote areas of Mexico City	216,703
Projects in Mexico—encourage and achieve timely detection of cervical cancer with an educational, preventive and advocacy approach, under two diagnostic methods to contribute to women's health	2,895
Projects in Mexico—risk knowledge to take care of my health: promotion and use of a digital risk calculator for diabetes as an awareness-raising tool and call to action for low-income women.	2,895
Projects in Mexico—technology development	9,712
Program expense for a multiple year initiative—Investing in Low-Income Women's Health in Mexico, Peru and Argentina	34,016
Total	\$ 614,889

Pro Mujer International

Notes to Consolidated Financial Statements

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

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 Pro Mujer 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 Pro Mujer

At December 31, 2019 and 2018, 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, 2019 and 2018.

Pro Mujer International

Notes to Consolidated Financial Statements

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, 2019

With Donor Restrictions - Permanent, January 1, 2019	\$	150,948
New contributions		
Investment income		5,015
Appropriation of endowment assets for expenditures		(5,015)
With Donor Restrictions - Permanent, December 31, 2019	\$	150,948

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

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

14. Liquidity and Availability of Resources

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

<i>December 31,</i>	2019	2018
Cash and cash equivalents	\$ 23,529,529	\$ 30,288,493
Restricted cash held in escrow	2,546,408	3,821,857
Investments at fair value	3,273,160	2,721,321
Accounts receivable net	775,133	670,028
Grants and pledges receivable, net, current portion	89,335	26,825
Loans receivable, net	137,086,468	117,444,374
Interest and commissions receivable	2,814,278	2,753,418
Financial Assets*	170,114,311	157,726,316
Less: those unavailable for general expenditures within one year, due to:		
Subject to appropriation and satisfaction of donor restrictions	(526,349)	(682,912)
Restricted cash held in escrow for clients-guarantees	(2,546,408)	(3,821,857)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 167,041,554	\$ 153,221,547

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

Pro Mujer International

Notes to Consolidated Financial Statements

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.

15. 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.

16. 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, 2019 and 2018 totaled \$2,663,184 and \$2,839,642, respectively.

17. Commitments

Leases of Premises

Pro Mujer has entered into various operating lease agreements for office space rentals, which expire at various dates through 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, 2019 and 2018 totaled \$3,483,761 and \$2,196,327, respectively.

Future minimum lease payments under the lease agreements are as follows at December 31, 2019:

Year ending December 31,

2020	\$	1,351,302
2021		848,841
2022		608,963
2023		441,998
2024		232,657
Total	\$	3,483,761

Pro Mujer International

Notes to Consolidated Financial Statements

18. 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, 2019 and 2018, PMI - New York owes \$631,431 and \$7,407,182, respectively, from these offices, which are included in accounts payable and accounts receivable in the accompanying consolidating statements of financial position, respectively.

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

<i>Year ending December 31,</i>	2019	2018
Pro Mujer - Bolivia	\$ (13,746)	\$ -
Pro Mujer - Mexico	(2,290)	(10,000)
Pro Mujer - Mexico NGO	-	(974)
Pro Mujer - Nicaragua	237,382	(4,570,875)
PMI - Nicaragua	(154,601)	(2,008,957)
PMI - Bolivia ONG	118,200	-
PMI - Peru	(816,376)	(816,376)
Total	\$ (631,431)	\$ (7,407,182)

PMI - New York received \$204,552 in Board contributions during the fiscal year from various Board members. These amounts were reported in grants and contributions in the statement of activities.

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 cost sharing activities are not allocated. The total cost sharing amounts are eliminated in consolidation.

For the years ended December 31, 2019 and 2018, PMI - New York recognized cost sharing fee revenue of \$6,572,796 and \$4,349,094, respectively, from the aforementioned offices, which was eliminated in consolidation.

PMI - New York also provided contributions in 2019 and 2018 totaling \$524,580 and \$1,030,973, respectively, which is included and eliminated in the credit and other program services line of the consolidating schedules of activities.

Pro Mujer International

Notes to Consolidated Financial Statements

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

<i>Year ending December 31,</i>	2019	2018
Pro Mujer - Argentina	\$ -	\$ 52,778
Pro Mujer - Mexico	500,044	447,714
PMI - Peru	-	68,814
Pro Mujer - Nicaragua	24,536	-
WASI	-	461,667
Total	\$ 524,580	\$ 1,030,973

19. Subsequent Event

In preparing the accompanying consolidated financial statements, Pro Mujer has evaluated events and transactions for potential recognition or disclosure through June 30, 2020, 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 30, 2020, the World Health Organization (WHO) announced a global health emergency due to a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in global exposure. Pro Mujer's management submits the financial statements for the year ending December 31, 2019. The Board and management reviewed these accounting statements in March 2020, while the rapid spread of the COVID-19 outbreak has been a global pandemic since March 11, 2020, forcing many governments to take exceptionally restrictive and drastically reduced activity measures. These measures, having an immediate impact on Pro Mujer's activity, include, but are not limited to: limitations on the movement of people, temporary closure of business, a brake on the production chain, marketing and a break in the payment chain in the global economy. As of the date of approval of these financial statements for the year ended December 31, 2019, the possible financial implications for the fiscal year ending December 31, 2020 cannot be quantified due to the uncertainty in the duration of socio-economic effects of the above measures.

The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of COVID-19. Nevertheless, COVID-19 presents potential material uncertainty and risk with respect to Pro Mujer, its performance, and its financial results.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security Act (the CARES Act)." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the Small Business Administration Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as

Pro Mujer International

Notes to Consolidated Financial Statements

Economic Injury Disaster Loans (EIDL) to provide liquidity to small businesses harmed by COVID-19. To date, Pro Mujer received approximately \$280,000 combined under the EIDL and CARES Act. There is no assurance that they will be forgiven, or repayment will be required.

We continue to examine the impact that the CARES Act may have on our business. Currently, we are unable to determine the impact that the CARES Act will have on our financial condition, results of operations, or liquidity.

However, Pro Mujer International has implemented a business continuity plan under which the following actions are developed:

- Protection of clients: use of technology and alternative channels to recover payments for the protection of the clients.
- Employee protection: home office work for staff protection.
- Renegotiation of loan repayment fees for the duration of quarantine. Selective placement of credits. Implementation of liquidity contingency plans.
- Risk analysis to estimate the greatest impact it can have on the portfolio.
- Communications, coordination with financiers, financial system and microfinance guild for the establishment of joint actions.

Supplementary Information

Pro Mujer International
Consolidating Schedule of Financial Position

December 31, 2019

	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	Ilumina Soluciones Financieras SA	WASI Social Innovation Inc and Affiliates	Eliminations WASI and Ilumina	WASI and Ilumina, Net	Eliminations (Pro Mujer International)	Total	
Assets																		
Current																		
Cash and cash equivalents	\$ 5,064,046	\$ 3,776,926	\$ 444,634	\$ 638,539	\$ (218,601)	\$ 9,705,544	\$ 10,117,682	\$ 629,703	\$ 423,085	\$ 2,435,870	\$ 66,604	\$ 44,888	\$ 115,819	\$ -	\$ 160,707	\$ (9,666)	\$ 23,529,529	
Restricted cash held in escrow	-	-	-	740,194	-	740,194	-	-	-	1,806,214	-	-	-	-	-	-	2,546,408	
Investments at fair value	253,451	31,400	-	-	-	284,851	560,874	1,215,593	2,000	-	-	1,209,842	-	-	1,209,842	-	3,273,160	
Accounts receivable, net	418,083	18,227	1,991,505	792,232	(1,008,954)	2,211,093	189,423	136,142	43,505	436,300	-	1,862	378	-	2,240	(2,243,570)	775,133	
Grants and pledges receivable	89,335	-	-	-	-	89,335	-	-	-	-	-	-	-	-	-	-	89,335	
Prepaid and other assets	292,445	63,065	11,612	9,248	-	376,370	1,400,783	-	627,906	2,074,463	3,380	336,759	685	-	337,444	-	4,820,346	
Loans receivable, net	3,637,500	-	-	5,037,496	-	8,674,996	99,522,432	5,164,025	14,932,035	10,216,348	-	1,277,267	-	-	1,277,267	(2,700,635)	137,086,468	
Interest and commissions receivable	160,961	-	115,765	12,241	-	288,967	1,517,460	267,213	605,949	227,201	-	65,548	-	-	65,548	(158,060)	2,814,278	
Total Current Assets	9,915,821	3,889,618	2,563,516	7,229,950	(1,227,555)	22,371,350	113,308,654	7,412,676	16,634,480	17,196,396	69,984	2,936,166	116,882	-	3,053,048	(5,111,931)	174,934,657	
Investments in Equity	4,607,431	-	5,224,906	-	-	9,832,337	-	-	-	-	-	-	525,000	(525,000)	-	(9,116,025)	716,312	
Property and Equipment, Net	24,177	754,925	226,322	511,115	-	1,516,539	1,742,978	446,580	136,630	415,754	19,353	802,223	-	-	802,223	-	5,080,057	
Intangible Assets, Net	-	-	5,927	344,504	-	350,431	501,471	248,087	57,052	71,600	5	-	-	-	-	-	1,228,646	
Total Assets	\$ 14,547,429	\$ 4,644,543	\$ 8,020,671	\$ 8,085,569	\$ (1,227,555)	\$ 34,070,657	\$ 115,553,103	\$ 8,107,343	\$ 16,828,162	\$ 17,683,750	\$ 89,342	\$ 3,738,389	\$ 641,882	\$ (525,000)	\$ 3,855,271	\$ (14,227,956)	\$ 181,959,672	
Liabilities and Net Assets																		
Current Liabilities																		
Accounts payable and accrued liabilities	\$ 1,231,288	\$ 679,034	\$ 286,967	\$ 454,376	\$ (1,227,555)	\$ 1,424,110	\$ 4,756,807	\$ 340,940	\$ 1,797,924	\$ 2,060,569	\$ 57,277	\$ 191,603	\$ 61,321	\$ -	\$ 252,924	\$ (286,932)	\$ 10,403,619	
Income taxes payable	-	-	-	-	-	-	3,687,945	13,196	333,166	107,279	-	171,841	-	-	171,841	-	4,313,427	
Guarantees payable	-	-	-	399,370	-	399,370	-	-	-	1,244,434	-	-	-	-	-	-	1,643,804	
Interest payable, current portion	262,254	-	-	-	-	262,254	3,710,923	330,528	350,394	163,390	-	112,942	23,295	-	136,237	(158,060)	4,795,666	
Notes payable, current portion	3,426,666	-	-	-	-	3,426,666	26,994,502	1,418,719	3,883,428	8,216,567	-	1,156,435	-	-	1,156,435	(2,966,304)	42,130,013	
Total Current Liabilities	4,920,208	679,034	286,967	853,746	(1,227,555)	5,512,400	39,150,177	2,103,383	6,364,912	11,792,239	57,277	1,632,821	84,616	-	1,717,437	(3,411,296)	63,286,529	
Notes Payable, less current portion	8,897,500	-	-	-	-	8,897,500	52,214,054	2,388,596	4,563,857	2,000,003	-	1,480,775	750,000	-	2,230,775	(1,700,635)	70,594,150	
Other Long-Term Liabilities	-	-	-	2,066,632	-	2,066,632	-	-	-	-	-	-	-	-	-	-	2,066,632	
Total Liabilities	13,817,708	679,034	286,967	2,920,378	(1,227,555)	16,476,532	91,364,231	4,491,979	10,928,769	13,792,242	57,277	3,113,596	834,616	-	3,948,212	(5,111,931)	135,947,311	
Commitments and Contingencies																		
Net Assets																		
Without donor restrictions	259,208	3,965,509	7,733,704	5,165,191	-	17,123,612	24,188,872	3,615,364	5,899,393	3,891,508	(23,771)	624,793	(192,734)	(525,000)	(92,941)	(9,116,025)	45,486,012	
With donor restrictions	470,513	-	-	-	-	470,513	-	-	-	-	55,836	-	-	-	-	-	526,349	
Total Net Assets	729,721	3,965,509	7,733,704	5,165,191	-	17,594,125	24,188,872	3,615,364	5,899,393	3,891,508	32,065	624,793	(192,734)	(525,000)	(92,941)	(9,116,025)	46,012,361	
Total Liabilities and Net Assets	\$ 14,547,429	\$ 4,644,543	\$ 8,020,671	\$ 8,085,569	\$ (1,227,555)	\$ 34,070,657	\$ 115,553,103	\$ 8,107,343	\$ 16,828,162	\$ 17,683,750	\$ 89,342	\$ 3,738,389	\$ 641,882	\$ (525,000)	\$ 3,855,271	\$ (14,227,956)	\$ 181,959,672	

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 Inc.	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 equity	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
Commitments and Contingencies														
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 Activities

Year ended December 31, 2019

	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	Ilumina Soluciones Financieras SA	WASI Social Innovation Inc and Affiliates	Eliminations WASI and Ilumina	WASI and Ilumina, Net	Eliminations	Total
Operating Activities																	
Financial revenues:																	
Interest and commissions:																	
From loans	\$ 201,206	\$ 166,374	\$ 233,911	\$ 1,782,976	\$ -	\$ 2,384,467	\$ 29,566,753	\$ 3,356,341	\$ 10,165,829	\$ 7,208,762	\$ -	\$ 155,586	\$ -	\$ -	\$ 155,586	\$ (316,450)	\$ 52,521,288
From cash and cash equivalents	15,609	-	19,104	9,210	-	43,923	347,542	518,839	47,812	65,509	3	8,187	-	-	8,187	-	1,031,815
Total Financial Revenues	216,815	166,374	253,015	1,792,186	-	2,428,390	29,914,295	3,875,180	10,213,641	7,274,271	3	163,773	-	-	163,773	(316,450)	53,553,103
Financial expenses:																	
Interest expense	(624,190)	-	-	(25,750)	-	(649,940)	(4,521,705)	376,898	(1,754,685)	(1,307,320)	-	(328,101)	(23,295)	-	(351,396)	316,450	(7,891,698)
Allowance for loan losses	-	-	-	(1,126,862)	-	(1,126,862)	(1,990,992)	(65,985)	(820,568)	(690,990)	-	33,121	-	-	33,121	-	(4,662,276)
Financial Revenues, Net	(407,375)	166,374	253,015	639,574	-	651,588	23,401,598	4,186,093	7,638,388	5,275,961	3	(131,207)	(23,295)	-	(154,502)	-	40,999,129
Contributions and other revenue:																	
Grants and contributions	960,497	4,058	-	19,221	(24,536)	959,240	-	103,421	11,369	261,878	421,440	-	-	-	-	(612,988)	1,144,360
Cost share	6,572,796	-	-	-	(1,525,481)	5,047,315	-	-	-	-	-	-	-	-	-	(5,047,315)	-
In-kind contributions (Note 2)	60,626	-	-	-	-	60,626	-	-	-	-	-	-	99,898	-	99,898	-	160,524
Other revenue	16,851	1,549,308	721,658	368,986	-	2,656,803	355,548	499,702	418,281	579,893	155	64,120	-	-	64,120	(419,182)	4,155,320
Loss on foreign exchange	-	(27,512)	75,880	(75,424)	-	(27,056)	(73,580)	(512,770)	(7,184)	103,702	(13,868)	53,625	-	-	53,625	-	(477,131)
Total Contributions and Other Revenue	7,610,770	1,525,854	797,538	312,783	(1,550,017)	8,696,928	281,968	90,353	422,466	945,473	407,727	117,745	99,898	-	217,643	(6,079,485)	4,983,073
Total Operating Revenue	7,203,395	1,692,228	1,050,553	952,357	(1,550,017)	9,348,516	23,683,566	4,276,446	8,060,854	6,221,434	407,730	(13,462)	76,603	-	63,141	(6,079,485)	45,982,202
Operating expenses:																	
Program and supporting expenses:																	
Credit and other program services	1,652,574	4,216,228	922,224	3,385,976	(1,550,017)	8,626,985	16,033,853	2,591,356	7,575,042	6,586,468	375,495	485,113	-	-	485,113	(1,924,172)	40,350,140
Management and general	1,299,022	214,507	60,935	291,412	-	1,865,876	751,305	936,765	480,100	415,659	7,927	46,496	471,476	-	517,972	-	4,975,604
Fundraising and development	1,786,005	-	-	-	-	1,786,005	-	-	-	-	-	-	-	-	-	-	1,786,005
Total Operating Expenses	4,737,601	4,430,735	983,159	3,677,388	(1,550,017)	12,278,866	16,785,158	3,528,121	8,055,142	7,002,127	383,422	531,609	471,476	-	1,003,085	(1,924,172)	47,111,749
Change in Net Assets from Operating Activities	2,465,794	(2,738,507)	67,394	(2,725,031)	-	(2,930,350)	6,898,408	748,325	5,712	(780,693)	24,308	(545,071)	(394,873)	-	(939,944)	(4,155,313)	(1,129,547)
Nonoperating Activities																	
Income tax (expense) credit	-	-	-	-	-	-	(3,687,947)	-	(339,748)	292,171	-	196,351	(29)	-	196,322	-	(3,539,202)
Translation adjustment	1,837	117,737	(337,793)	99,987	(3)	(118,235)	(4)	(2,002,230)	(252,394)	108,288	340	357,773	(2,492)	-	355,281	-	(1,908,954)
Loss in investments in affiliates	(1,416,409)	-	-	-	-	(1,416,409)	-	-	-	-	-	-	-	-	-	1,416,409	-
Cost share forgiveness	(4,155,314)	-	-	-	-	(4,155,314)	-	-	-	-	-	-	-	-	-	4,155,314	-
Investment in equity	-	-	-	-	(557,413)	(557,413)	-	-	818,889	1,000,000	-	525,000	(4,082)	(525,000)	(4,082)	(2,000,000)	(742,606)
Gain on purchase	-	-	-	-	-	-	-	-	-	-	-	1,131,822	-	-	1,131,822	-	1,131,822
Prior-year adjustment	-	-	-	-	-	-	-	-	-	(39,771)	(1,466)	-	-	-	-	-	(41,237)
Prior-year translation adjustment	-	-	-	-	-	-	-	1,231,983	-	-	-	(1,041,082)	-	-	(1,041,082)	-	190,901
Changes in Net Assets from Nonoperating Activities	(5,569,886)	117,737	(337,793)	99,987	(557,416)	(6,247,371)	(3,687,951)	(770,247)	226,747	1,360,688	(1,126)	1,169,864	(6,603)	(525,000)	638,261	3,571,723	(4,909,276)
Change in Net Assets	(3,104,092)	(2,620,770)	(270,399)	(2,625,044)	(557,416)	(9,177,721)	3,210,457	(21,922)	232,459	579,995	23,182	624,793	(401,476)	(525,000)	(301,683)	(583,590)	(6,038,823)
Net Assets, beginning 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	-	208,742	(7,382,531)	52,051,184
Net Assets, end of year	\$ 729,721	\$ 3,965,509	\$ 7,733,704	\$ 5,165,191	\$ (1,149,904)	\$ 16,444,221	\$ 24,188,872	\$ 3,615,364	\$ 5,899,393	\$ 3,891,508	\$ 32,065	\$ 624,793	\$ (192,734)	\$ (525,000)	\$ (92,941)	\$ (7,966,121)	\$ 46,012,361

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 Inc.	Eliminations	Total
Operating Activities														
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
Total Financial Revenues	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 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	5,898,640	2,378,457	968,946	1,071,899	(2,148,997)	8,168,945	173,529	1,109,432	433,036	808,878	387,292	461,667	(4,191,088)	7,351,691
Total Operating Revenue	5,833,242	2,560,347	1,182,894	3,450,712	(2,283,103)	10,744,092	21,575,889	5,018,014	8,361,851	5,443,396	381,724	461,667	(4,056,982)	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 from Operating Activities	(664,648)	(813,238)	523,623	(960,357)	(1,468,887)	(3,383,507)	6,368,872	1,435,168	(1,850,948)	(3,215,738)	3,209	208,742	(836,094)	(1,270,296)
Nonoperating Activities														
Income tax (expense) credit	-	-	-	-	-	-	(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
Loss in investments in affiliates	(3,291,792)	-	-	-	-	(3,291,792)	-	-	-	-	-	-	3,291,792	-
Change in Net Assets from Nonoperating Activities	(5,619,602)	147,678	(374,563)	(290,957)	876,399	(5,261,045)	(3,232,124)	(1,577,627)	(490,134)	927,368	4,547	-	3,953,759	(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
Consolidated Schedule of Financial Position (WASI and Affiliates)

December 31, 2019

	WASI and Affiliates							Eliminations	Total
	WASI Social Innovation Inc.	ILU Ventures BV	ILU Ventures GmbH	Asociación Pro Mujer Innovación Social	Asociación Pro Mujer Educación e Innovación	Ilu Ventures Mexico S.A.			
Assets									
Current									
Cash and cash equivalent	\$ 9,212	\$ 46,844	\$ 55,582	\$ 2,142	\$ 2,039	\$ -	\$ -	\$ -	\$ 115,819
Investments	800,000	570,716	2,150	-	-	-	(847,866)	-	525,000
Accounts receivables, net	20,610	-	-	7	21	-	(20,260)	-	378
Prepaid and other assets	-	685	-	-	-	-	-	-	685
Total Current	829,822	618,245	57,732	2,149	2,060	-	(868,126)	-	641,882
Total Assets	\$ 829,822	\$ 618,245	\$ 57,732	\$ 2,149	\$ 2,060	\$ -	\$ (868,126)	\$ -	\$ 641,882
Liabilities and Net Assets									
Current Liabilities									
Accounts payable and accrued liabilities	\$ 38,366	\$ 50,052	\$ 16,469	\$ -	\$ -	\$ -	(43,566)	\$ -	\$ 61,321
Interest payable	23,295	-	-	-	-	-	-	-	23,295
Total Current Liabilities	61,661	50,052	16,469	-	-	-	(43,566)	-	84,616
Notes Payables, Long-Term Portion	750,000	-	-	-	-	-	-	-	750,000
Total Liabilities	811,661	50,052	16,469	-	-	-	(43,566)	-	834,616
Commitment and Contingencies									
Net Assets									
Without donor restrictions	18,161	568,193	41,263	2,149	2,060	-	(824,560)	-	(192,734)
Total Liabilities and Net Assets	\$ 829,822	\$ 618,245	\$ 57,732	\$ 2,149	\$ 2,060	\$ -	\$ (868,126)	\$ -	\$ 641,882

Pro Mujer International
Consolidated Schedule of Activities (WASI and Affiliates)

Year ended December 31, 2019

	WASI and Affiliates							Eliminations	Total
	WASI Social Innovation Inc.	ILU Ventures BV	ILU Ventures GmbH	Asociación Pro Mujer Innovación Social	Asociación Pro Mujer Educación e Innovación	Ilu Ventures Mexico S.A.			
Operating Activities									
Financial revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financial expense	(23,295)	-	-	-	-	-	-	-	(23,295)
Financial Revenues (Expenses), Net	(23,295)	-	-	-	-	-	-	-	(23,295)
In-kind contributions	99,898	-	-	-	-	-	-	-	99,898
Total Operating and Other Revenue	76,603	-	-	-	-	-	-	-	76,603
Operating expenses:									
Management and general	264,591	117,355	88,739	351	440	-	-	-	471,476
Change in Net Assets from Operating Activities	(187,988)	(117,355)	(88,739)	(351)	(440)	-	-	-	(394,873)
Nonoperating Activities									
Income tax expense	-	-	(29)	-	-	-	-	-	(29)
Translation adjustment	(2,593)	(370)	121	-	-	-	350	-	(2,492)
Investment in equity	-	685,918	129,910	2,500	2,500	-	(824,910)	-	(4,082)
Change in Net Assets from Nonoperating Activities	(2,593)	685,548	130,002	2,500	2,500	-	(824,560)	-	(6,603)
Change in Net Assets	(190,581)	568,193	41,263	2,149	2,060	-	(824,560)	-	(401,476)
Net Assets, beginning of year	208,742	-	-	-	-	-	-	-	208,742
Net Assets, end of year	\$ 18,161	\$ 568,193	\$ 41,263	\$ 2,149	\$ 2,060	\$ -	\$ (824,560)	\$ -	\$ (192,734)