

WOMEN'S MICROFINANCE  
INITIATIVE CORPORATION

REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2016

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Women's Microfinance Initiative Corporation  
Bethesda, Maryland

***Report on Financial Statements***

We have audited the accompanying financial statements of Women's Microfinance Initiative Corporation (WMI) (a Maryland not-for-profit organization) which comprises the statements of financial position as of December 31, 2016 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 WMI's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Women's Microfinance Initiative Corporation as of December 31, 2016, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

January 16, 2017

*Nan Miller CPA*

WOMEN'S MICROFINANCE INITIATIVE CORPORATION  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2016

**ASSETS**

Cash and cash equivalents - unrestricted	\$ 178,276
Prepaid expenses	<u>2,000</u>
<i>Total assets</i>	<u><u>\$ 180,276</u></u>

**LIABILITIES AND NET ASSETS**

Accounts payable	<u>\$ 142</u>
Net assets - unrestricted	<u>180,134</u>
<i>Total liabilities and net assets</i>	<u><u>\$ 180,276</u></u>

WOMEN'S MICROFINANCE INITIATIVE CORPORATION  
STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Revenue, support and gains:**

Grants and Contributions	\$ 171,228
Intern Program	5,150
Interest income	<u>101</u>
<i>Total revenue, support and gains</i>	<u>176,479</u>

**Expenses and losses:**

**Program services -**

Microfinance Program Expenses	<u>261,246</u>
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**Administration -**

Operating and Administrative Expenses	5,665
Fund raising	<u>631</u>
	6,296

<i>Total expenses and losses</i>	<u>267,542</u>
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<i>Change in net assets</i>	(91,063)
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Net assets, beginning	<u>271,197</u>
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Net assets, ending	<u><u>\$ 180,134</u></u>
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**Women's Microfinance Initiative, Inc.**  
**Statement of Functional Expenses**  
For the Year Ended December 31, 2016

**Program Services**

**Support Services**

	Program Services					Support Services			TOTAL
	Community Building	Loan Fund	Intern Program	Program Administration and Training	Total Program	Operating and Administrative	Fund Raising	Total Administrative and Fund Raising	
<b>Expense</b>									
Grants and Contributions	\$ 41,939	\$ 184,503	\$ -	\$ 7,211	\$ 233,653	\$ -	\$ -	\$ -	\$233,653
Bank Charges	-	545	-	40	585	458	-	458	1,043
Licenses and Permits	-	-	-	-	-	200	-	200	200
Training/Education/Promotion/Events	-	-	-	-	-	-	-	-	-
Postage and Mailing	-	-	-	-	-	-	495	495	495
Supplies and Materials	-	735	-	96	831	89	136	225	1,056
Professional and Contract Services	-	6,860	-	-	6,860	2,000	-	2,000	8,860
Marketing and Advertising	-	-	-	-	-	-	-	-	-
Telephone, Telecommunications	-	-	-	-	-	1,446	-	1,446	1,446
Travel/Stipends	-	2,282	17,035	-	19,317	247	-	247	19,564
Insurance - Liability, Directors and Officers	-	-	-	-	-	1,225	-	1,225	1,225
	<u>\$ 41,939</u>	<u>\$ 194,925</u>	<u>\$ 17,035</u>	<u>\$ 7,347</u>	<u>\$ 261,246</u>	<u>\$ 5,665</u>	<u>\$ 631</u>	<u>\$ 6,296</u>	<u>\$267,542</u>

**Women's Microfinance Initiative Corporation**  
**Statement of Cash Flows**  
For the Year Ended December 31, 2016

**OPERATING ACTIVITIES:**

Change in net assets	\$ (91,063)
Decrease in accounts payable	<u>(252)</u>
Net cash used in operating activities	(91,315)
Cash at beginning of period	<u>269,591</u>
<b>Cash at end of period</b>	<b><u><u>\$ 178,276</u></u></b>

There were no non-cash financing or investing activities for the year ended December 31, 2016.

WOMEN'S MICROFINANCE INITIATIVE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Note 1: Organization and Significant Accounting Policies**

Nature of Organization

Women's Microfinance Initiative Corporation (WMI or the Organization), is a not-for-profit corporation incorporated under the laws of the State of Maryland on November 7, 2007. WMI's primary purpose is facilitate a microfinance initiative to serve poor women in rural areas around the world providing working capital to women in the lowest income brackets so that they can engage in income producing activities in order to build assets so they can stabilize their incomes, raise their standard of living, and reorient themselves and their family. WMI's vision is to promote women from subsidized micro-lending services to proactive participation in the commercial financial community.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with the standards promulgated by the American Institute of Certified Public Accountants in accordance with the guidelines published in the Audits for Certain Nonprofit Organizations.

Basis of Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 958 accounting for contributions received and contributions made financial statements of not-for-profit organizations. Contributions are recognized as revenue when they are received or unconditionally pledged. FASB ASC Topic 958 eliminates the utilization of fund accounting for financial reporting purposes requires that net assets be classified as (1) unrestricted; (2) temporarily restricted; or (3) permanently restricted depending on limitations placed on the net assets by donors. These classifications are defined as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. As of December 31, 2016, all net assets are considered unrestricted.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. As of December 31, 2016 there are no temporarily restricted net assets.

Permanently restricted net assets: Net assets subjected donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. As of December 31, 2016, Women's Microfinance Initiative Corporation has no permanently restricted net assets.

WOMEN'S MICROFINANCE INITIATIVE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016 (continued)

**Note 1:      Organization and Significant Accounting Policies (continued)**

Investments and Fair Value Measurement

In accordance with FASB ASC Sub-Topic 958-320 relating to the accounting for certain investments held by non-profit organizations, investments are carried at estimated fair value based on quoted market prices. Additionally FASB ASC Topic 820, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). For the year ended December 31, 2016 there were no donated investments to WMI. As of December 31, 2016, WMI only holds money market accounts which are considered Level 1 investments.

Furniture and equipment

As of December 31, 2016, WMI carries no furniture and equipment. The Organization's policies however are to carry furniture and equipment at cost. Depreciation is computed using the straight-line methods over the estimated useful lives of the furniture and equipment.

Income taxes

WMI is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code is subject to income tax. For the year ended December 31, 2016, WMI had no unrelated business income subject to federal income tax.

Uncertain Tax Positions

In accordance with the disclosure provisions of FASB ASC Sub-Topic 740-19 "Accounting for Uncertainty in Income Taxes" as of and for the year ended December 31, 2016, WMI has no uncertain tax positions requiring disclosure or accrual occurred for the year ended December 31, 2016. The open tax years are December 31, 2014, 2015, and 2016.

Revenue Recognition

Revenue and support are recognized by the Organization when the unconditional promise to give by a donor is assured. Expenditures funded by unrestricted net assets prior to the receipt of the unconditional promise to pay from the donor are recorded as a reduction to unrestricted net assets.

WOMEN'S MICROFINANCE INITIATIVE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016 (continued)

**Note 1:      Organization and Significant Accounting Policies (continued)**

*Cash and cash equivalents*

For the purposes of the Statement of Cash Flows, short-term, highly liquid investments with maturities of three months or less are considered to be cash equivalents. Money market accounts are considered to be cash equivalents for the purposes of this statement.

*Use of estimates and functional expenses:*

In the ordinary course of fulfilling their not-for-profit objectives, certain estimates have been used to allocate common general and administrative costs amongst the programs. These allocations are based upon management's best estimate of the cost benefits derived by each program during the year.

**Note 2:      Donated Services and Materials**

In accordance with FASB ASC Topic 958, in-kind contributions, if any, are recorded at their estimated fair market value on the date the unconditional promise to give the asset is made and transfer of the asset is assured. In kind contributions are usually not included in the accompanying financial statements since the value of the donated services and materials can not be objectively measured. Additionally, the Organization periodically receives unpaid volunteer support services from its Board of Directors, officers and other volunteers. The value of this contributed time is not reflected in the accompanying financial statements since it is not susceptible to objective measurement or valuation.

**Note 3:      Concentration of Risk**

From time to time WMI may maintain cash balances in various financial institutions in excess of Federal insurance limitations.. At December 31, 2016, the balances were insured, up to \$250,000, by the Federal Deposit Insurance Corporation ("FDIC"). and not in excess of insurance limits.

**Note 4:      Subsequent Events**

In preparing financial statements, management of WMI has evaluated events and transactions for potential recognition or disclosure through January 16, 2017, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.

WOMEN'S MICROFINANCE INITIATIVE CORPORATION  
 SUPPLEMENTAL INFORMATION  
 CALCULATION OF ACTUAL INDIRECT COST RATE  
 FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Total Program Cost (a)</u>	<u>Fund Raising (b)</u>	<u>Total Direct Costs and Fund Raising (c )</u>	<u>Administrative and General (d)</u>	<u>Indirect Cost Rate (d)/(c)</u>
<u>\$ 261,246</u>	<u>\$ 631</u>	<u>\$ 261,877</u>	<u>\$ 5,665</u>	<u>2.17%</u>