



FRIENDS OF WWB/USA, INC.

Financial Statements and Schedules

December 31, 2016

(With comparative financial information as of December 31, 2015)

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Directors
Friends of WWB/USA, Inc.:

We have audited the accompanying financial statements of Friends of WWB/USA, Inc. (the Organization), which comprise the balance sheet as of December 31, 2016, and the related statements of activities 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 U.S. generally accepted accounting principles; 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.

Auditors' 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 auditors' 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 organization'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 the organization'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 Friends of WWB/USA, Inc. as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the Organization's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

May 16, 2017

FRIENDS OF WWB/USA, INC.

Balance Sheet

December 31, 2016

(with comparative financial information as of December 31, 2015)

Assets	2016	2015
Cash and cash equivalents	\$ 639,654	1,016,517
Grants and contributions receivable, net (note 3)	229,083	864,856
Other assets	2,166	500
Equipment, net (note 1(f))	23,341	46,681
Total assets	<u>\$ 894,244</u>	<u>1,928,554</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 8,810	6,027
Due to SWWB (note 2)	33,757	31,178
Grants payable to SWWB	—	7,000
Total liabilities	<u>42,567</u>	<u>44,205</u>
Net assets:		
Unrestricted	644,384	1,072,904
Temporarily restricted	207,293	811,445
Total net assets	<u>851,677</u>	<u>1,884,349</u>
Total liabilities and net assets	<u>\$ 894,244</u>	<u>1,928,554</u>

See accompanying notes to financial statements.

FRIENDS OF WWB/USA, INC.

Statement of Activities

Year ended December 31, 2016

(with summarized comparative financial information for the year ended December 31, 2015)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>	
			<u>2016</u>	<u>2015</u>
Revenue and support:				
Grants and contributions (note 1(d))	\$ 411,337	450,000	861,337	1,644,247
In-kind contributions (note 4)	41,950	34,460	76,410	7,300
Other income	867	—	867	897
Net assets released from restrictions	<u>1,088,612</u>	<u>(1,088,612)</u>	<u>—</u>	<u>—</u>
Total revenue and support	<u>1,542,766</u>	<u>(604,152)</u>	<u>938,614</u>	<u>1,652,444</u>
Expenses (notes 2 and 4):				
Program services:				
Grants and contributions to Stichting to Promote Women's World Banking	1,456,195	—	1,456,195	1,618,750
In-Kind to Stichting to Promote Women's World Banking	73,105	—	73,105	—
Program development and education	<u>15,528</u>	<u>—</u>	<u>15,528</u>	<u>15,888</u>
Total program services	1,544,828	—	1,544,828	1,634,638
General and administrative	17,328	—	17,328	15,888
Fund-raising	<u>409,130</u>	<u>—</u>	<u>409,130</u>	<u>447,741</u>
Total expenses	<u>1,971,286</u>	<u>—</u>	<u>1,971,286</u>	<u>2,098,267</u>
Decrease in net assets	(428,520)	(604,152)	(1,032,672)	(445,823)
Net assets at beginning of year	<u>1,072,904</u>	<u>811,445</u>	<u>1,884,349</u>	<u>2,330,172</u>
Net assets at end of year	<u>\$ 644,384</u>	<u>207,293</u>	<u>851,677</u>	<u>1,884,349</u>

See accompanying notes to financial statements.

FRIENDS OF WWB/USA, INC.

Statement of Cash Flows

Year ended December 31, 2016

(with comparative financial information for the year ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (1,032,672)	(445,823)
Depreciation	23,340	23,340
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Decrease in grants and contributions receivable, net	635,773	794,917
Increase in other assets	(1,666)	(500)
Increase (decrease) in accounts payable and accrued expenses	2,783	(1,290)
Increase (decrease) due to SWWB	2,579	(253,072)
Decrease in grants payable to SWWB	<u>(7,000)</u>	<u>(262,391)</u>
Net cash used in operating activities	(376,863)	(144,819)
Cash and cash equivalents at beginning of year	<u>1,016,517</u>	<u>1,161,336</u>
Cash and cash equivalents at end of year	<u>\$ 639,654</u>	<u>1,016,517</u>

See accompanying notes to financial statements.

FRIENDS OF WWB/USA, INC.
Notes to Financial Statements
December 31, 2016
(with comparative financial information
as of and for the year ended December 31, 2015)

(1) Organization and Summary of Significant Accounting Policies

Friends of WWB/USA, Inc. (Friends or the Organization) is a nonprofit corporation whose purpose is to support programs of Stichting to Promote Women's World Banking (SWWB), an affiliated organization. SWWB's mission is to expand the economic assets, participation, and power of low-income women and their households by helping them access financial services, knowledge, and markets. Friends acts in cooperation with SWWB. The principal activity of Friends is the solicitation, receipt, and administration of grants and contributions on behalf of SWWB. Friends has a separate board of directors and maintains its legal and financial independence. The management of Friends and SWWB is shared. Friends has been classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

(a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

(b) Basis of Presentation

Net assets and revenue, gains, losses, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. At December 31, 2016 and 2015, temporarily restricted net assets, which were available for program support, were \$207,293 and \$811,445, respectively.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that will be maintained permanently by the Organization. The donors of these assets permit the Organization to use the income earned on the related investments for general purposes. As of December 31, 2016 and 2015, the Organization has no permanently restricted net assets.

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets, if any, are reported as net assets released from restrictions. The donor-restricted gifts received on behalf of SWWB are reported as temporarily restricted or permanently restricted net assets held on behalf of SWWB.

FRIENDS OF WWB/USA, INC.
Notes to Financial Statements
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as of and for the year ended December 31, 2015)

(c) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

(d) Grants and Contributions

Grants and contributions, which include unconditional promises to give, are recognized as revenue in the period received. Unconditional promises to give are recognized initially at fair value as grants and contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discount is recorded as additional grants and contributions revenue.

For Friends, approximately 64% and 38% of total grants and contributions revenue were generated from three donors in 2016 and 2015, respectively. As of December 31, 2016 and 2015, approximately 87% and 76% of contributions receivable, respectively, was due from one donor.

(e) Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with original maturities of three months or less at the time of purchase to be cash equivalents.

FRIENDS OF WWB/USA, INC.
Notes to Financial Statements
December 31, 2016
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as of and for the year ended December 31, 2015)

(f) Equipment

Equipment is recorded at cost or if donated, at fair value at date of donation. Depreciation of equipment is computed on a straight-line basis over its estimated useful life of three years. During the year ended December 31, 2014, the Organization received donated equipment valued at \$70,021, which went into service in 2015. Accumulated depreciation as of December 31, 2016 and 2015 was \$46,680 and \$23,340, respectively.

(g) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(h) Prior Year Information

The statement of activities is presented with prior year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

(i) Tax Status

The Organization recognizes the effects of income tax positions only if those positions are more likely than not to be sustained. The Organization has evaluated its tax positions in 2016 and 2015, and has determined that there are no significant uncertain tax positions and that it will continue to be exempt from income taxes.

(2) Allocation of Expenses

As disclosed in note 1, the management of Friends and SWWB is shared. Friends acts in cooperation with SWWB and in compliance with an operating agreement. Expenses allocated between Friends and SWWB relating to the New York office include expenses for personnel, travel, and overhead. The expense amounts allocated to Friends totaled \$415,341 and \$448,877 in 2016 and 2015, respectively, of which retirement costs allocated to Friends were \$10,160 and \$9,117, respectively.

FRIENDS OF WWB/USA, INC.
Notes to Financial Statements
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(with comparative financial information
as of and for the year ended December 31, 2015)

(3) Grants and Contributions Receivable

Grants and contributions receivable at December 31, 2016 and 2015 were \$229,083 and \$864,856, respectively. The December 31, 2016 and 2015 balances are expected to be collected within one year.

(4) In-Kind Contributions

The fair value of in-kind contributions has been recorded in the accompanying financial statements as support and expense. For the year ended December 31, 2016, the Organization received donated software valued at \$74,610, of which \$73,105 was subgranted to SWWB during the year ended December 31, 2016. For the years ended December 31, 2016 and 2015, the Organization received in-kind legal services of \$1,800 and \$7,300, respectively.

(5) Subsequent Events

In connection with the preparation of the financial statements, the Organization evaluated subsequent events after the balance sheet date of December 31, 2016 and through May 16, 2017, the date the financial statements were available to be issued, and noted no additional items that would require adjustment to, or disclosure in, the 2016 financial statements.

FRIENDS OF WWB/USA, INC.

Schedule of Functional Expenses

Year ended December 31, 2016

(with summarized comparative financial information for the year ended December 31, 2015)

	Grants, contributions, and in-kind	Program development and education	General and administrative	Fund-raising	Total	
					2016	2015
Personnel costs	\$ —	12,464	12,464	289,519	314,447	329,358
Consultants, legal, accounting, and auditing	—	1,173	2,973	30,727	34,873	75,949
Travel, workshops, and meetings	—	670	670	37,724	39,064	27,731
Grants to Stichting to Promote Women's World Banking	1,456,195	—	—	—	1,456,195	1,618,750
In-Kind to Stichting to Promote Women's World Banking	73,105	—	—	—	73,105	—
Other	—	296	296	29,670	30,262	23,139
Depreciation expense	—	925	925	21,490	23,340	23,340
Total expenses	\$ 1,529,300	15,528	17,328	409,130	1,971,286	2,098,267

See accompanying independent auditors' report.

FRIENDS OF WWB/USA, INC.

Grants and Contributions Receivable Rollforward

Year ended December 31, 2016

	Receivable balance at December 31, 2015	New grants and contributions, 2016	Cash receipts, 2016	Receivable balance at December 31, 2016
Anonymous foundation	\$ —	50,000	(50,000)	—
Cisco Systems Foundation	—	150,000	(150,000)	—
Citi Foundation	—	100,000	(100,000)	—
S&P Global (f/k/a McGraw Hill)	150,000	—	(150,000)	—
MetLife Foundation	653,195	—	(653,195)	—
Visa, Inc.	—	300,000	(100,000)	200,000
Other foundations	3,790	60,799	(62,269)	2,320
Other corporations	34,900	81,048	(115,878)	70
Individuals	22,971	119,490	(115,768)	26,693
	<u>\$ 864,856</u>	<u>861,337</u>	<u>(1,497,110)</u>	<u>229,083</u>

See accompanying independent auditors' report.