

# faces of change

**FINCA International**

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**FINCA INTERNATIONAL**  
Financial Report 2007



FINCA INTERNATIONAL

# FINCA International, Inc.

## Consolidated Statement of Financial Position Year Ended December 31, 2007

### ASSETS

Cash and cash equivalents	
Unrestricted	\$ 48,117,013
Restricted	<u>6,300,765</u>
	54,417,778
Investments	5,737,552
Loans and advances receivable, net allowance for doubtful accounts of \$8,601,599	276,805,090
Other receivables	4,644,297
Grants receivable	7,399,414
Other assets	6,722,304
Property and equipment, net of accumulated depreciation of \$5,711,712	<u>11,427,425</u>
	<b>\$ 367,153,860</b>

### LIABILITIES AND EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ 10,837,125
Customer deposits and cash collateral	12,746,969
Refundable advances	9,563,999
Notes payable	197,102,673
Other liabilities	5,555,359
Deferred compensation agreement	<u>1,656,325</u>
	<b>\$ 237,462,450</b>

Equity	
Share capital	7,043,771
Donated equity	10,331,723
Reserves	10,431,917
Retained earnings	99,606,650
Currency translation adjustments	<u>2,277,349</u>
	<u>129,691,410</u>
	<b>\$ 367,153,860</b>

## Consolidated Statement of Activities Year Ended December 31, 2007

Operating revenue	
Income from portfolio	\$ 94,384,624
Income on investments	591,389
Penalty fees	1,164,773
Commission fees	5,565,512
Other gain	<u>4,451,466</u>
	<b>106,157,764</b>

Operating expenses	
Financial cost	\$ 13,564,695
Impairment loss on loans	5,579,301
Operating expenses	<u>95,026,068</u>
	<b>114,170,064</b>

**Net operating margin before translation  
adjustment and income taxes (8,012,300)**

Translation adjustment 812,455

**Net operating margin  
before income taxes (7,199,845)**

Income Taxes 1,854,222

**Net operating margin (9,054,067)**

Non-operating revenue	
Grants	12,902,633
Donations	19,628,185
Other non-operating revenue	<u>1,241,862</u>
	<u>33,772,680</u>

Other non-operating expenses 618,077

**Non-operating income 33,154,603**

**Net income \$ 24,100,536**

## Consolidated Statement of Cash Flows Year Ended December 31, 2007

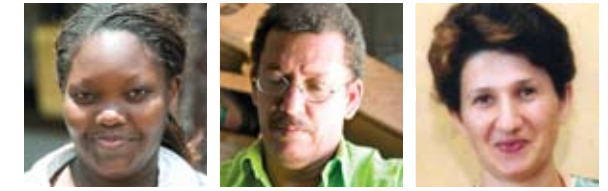
Cash Flows from Operating Activities	
Net income	\$ 24,100,536
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	2,855,804
Loss on disposals of fixed assets	126,408
Impairment of fixed assets	873,400
Changes in assets and liabilities:	
(Increase) decrease in:	
Loans and advances receivable	(110,877,972)
Other receivables	(1,680,142)
Grants receivable	(642,218)
Other assets	(1,109,863)
Increase (decrease) in:	
Accounts payable and accrued expenses	(1,094,099)
Customer deposits and cash collateral	2,928,767
Refundable advances	6,097,348
Other liabilities	3,874,018
Deferred compensation agreement	<u>(5,217,927)</u>
	<b>Net cash used in operating activities (79,765,940)</b>

Cash Flows from Investing Activities	
Purchase of Investments	(2,272,647)
Restricted cash	7,274,713
Purchase of property and equipment	<u>(3,896,412)</u>
	<b>Net cash provided by investing activities 1,105,654</b>

Cash Flows from Financing Activities	
Proceeds from notes payable	80,978,197
	<b>Net increase in cash and equivalents 2,317,911</b>

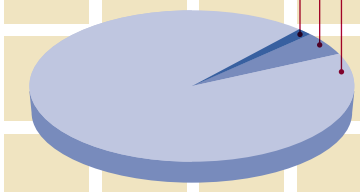
Cash and Cash Equivalents	
Beginning	<u>45,799,102</u>
Ending	<b>\$ 48,117,013</b>

Supplemental Disclosures of Cash Flow Information	
Cash payments for:	
Taxes	\$ 2,274,155
Interest	<u>\$ 17,990,520</u>



### Percentages for 2007

Program services	90%
Fund-raising	3%
General & Administrative	7%



Program services	103,217,367
Fund-raising	3,873,928
G & A	7,078,769
	<b>\$114,170,064</b>