

MADRE, INC.

INDEPENDENT AUDITORS' REPORT
ON
FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2008

AND

FOR THE YEAR THEN ENDED

MADRE, INC.

- CONTENTS -

	<u>Page</u>
Independent Auditors' Report	1
Statement of Financial Position as of December 31, 2008	2
Statement of Activities and Change in Net Assets for the year ended December 31, 2008	3
Statement of Functional Expenses for the year ended December 31, 2008	4
Statement of Cash Flows for the year ended December 31, 2008	5
Notes to Financial Statements	6-9
Independent Auditors' Report on Supplementary Information	10
Statement of Activities of Affiliate Projects	
NGO Working Group	11
FIMI	12

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
MADRE, Inc.
New York, New York

We have audited the accompanying statement of financial position of MADRE, Inc. as of December 31, 2008 and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of MADRE, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MADRE, Inc. as of December 31, 2008 and the results of its operations and cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

New York, New York
March 3, 2009



MADRE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Agency Funds</u> (Note 4)	<u>Temporarily Restricted</u> (Note 6)	<u>All Funds</u>
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 521,317		\$ 96,008	\$ 617,325
Investments - Notes 1 and 2	919,865			919,865
Grants and contributions receivable	126,316			126,316
Other receivable	19,094			19,094
Inventories - at lower of cost or market	4,848			4,848
Prepaid expenses and deferred charges	2,111			2,111
Funds held for Agencies	<u>28,739</u>	<u>\$ 105,620</u>		<u>134,359</u>
Total Current Assets	1,622,290	105,620	96,008	1,823,918
Fixed Assets				
Fixed assets, at cost, net of accumulated depreciation of \$45,040 - Notes 1 and 3	12,327			12,327
Other Assets				
Security and utility deposits	<u>20,566</u>			<u>20,566</u>
Total Assets	<u>\$ 1,655,183</u>	<u>\$ 105,620</u>	<u>\$ 96,008</u>	<u>\$ 1,856,811</u>
<u>LIABILITIES AND NET ASSETS</u>				
LIABILITIES				
Current Liabilities				
Agency funds payable		\$ 105,620		\$ 105,620
Accounts and accrued expenses payable	<u>\$ 128,797</u>			<u>128,797</u>
Total Liabilities	128,797	105,620		234,417
Commitment - Note 8				
NET ASSETS				
Net Assets	<u>1,526,386</u>		<u>\$ 96,008</u>	<u>1,622,394</u>
Total Liabilities and Net Assets	<u>\$ 1,655,183</u>	<u>\$ 105,620</u>	<u>\$ 96,008</u>	<u>\$ 1,856,811</u>

See accompanying notes to financial statements.

MADRE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>All Funds</u>
<u>Support and Revenue</u>			
Grants and contributions	\$ 750,078	\$ 326,310	\$ 1,076,388
Direct mail and membership	290,615		290,615
In-kind contributions - Note 7	583,871		583,871
Special event	35,644		35,644
Delegation income	30,681		30,681
Administrative fees	39,911		39,911
Interest and dividend income	93,116		93,116
Net realized loss on investment transactions	(2,374)		(2,374)
Honorariums	14,094		14,094
Other income	<u>4,602</u>		<u>4,602</u>
Total Support and Revenue	1,840,238	326,310	2,166,548
Net Assets released from restriction - Note 5:			
Satisfaction of purpose restrictions	<u>291,702</u>	<u>(291,702)</u>	<u>-</u>
Total Support and Revenue	<u>2,131,940</u>	<u>34,608</u>	<u>2,166,548</u>
<u>Expenses</u>			
Program Services			
Peace Building	373,851		373,851
Health and Violence Against Women	387,498		387,498
Environmental and Economic Justice	1,065,327		1,065,327
FIMI - Note 4	<u>93,237</u>		<u>93,237</u>
Total Program Services	<u>1,919,913</u>		<u>1,919,913</u>
Supporting Services			
Administrative and General	94,490		94,490
Fund Raising	<u>98,138</u>		<u>98,138</u>
Total Supporting Services	<u>192,628</u>		<u>192,628</u>
Total Expenses	<u>2,112,541</u>		<u>2,112,541</u>
Change in Net Assets before Net unrealized loss on investments	19,399	34,608	54,007
Net unrealized loss on investments	<u>(133,134)</u>		<u>(133,134)</u>
Change in Net Assets	<u>(113,735)</u>	34,608	<u>(79,127)</u>
Net Assets as of December 31, 2007	<u>1,640,121</u>	<u>61,400</u>	<u>1,701,521</u>
Net Assets as of December 31, 2008	<u>\$ 1,526,386</u>	<u>\$ 96,008</u>	<u>\$ 1,622,394</u>

See accompanying notes to financial statements.

MADRE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	PROGRAM SERVICES				SUPPORTING SERVICES			Total Program and Supporting Services
	Peace Building	Health and Violence Against Women	Environmental and Economic Justice	FIMI (Note 4)	Administrative and General	Fund Raising	Total	
Salaries	\$ 122,139	\$ 124,585	\$ 119,069	\$ 62,319	\$ 428,112	\$ 41,957	\$ 84,736	\$ 512,848
Fringe benefits	19,213	12,976	12,402	8,645	53,236	4,370	8,826	62,062
Payroll taxes	14,459	9,766	9,333	5,164	38,722	3,289	6,642	45,364
Total Salaries and Related Expenses	155,811	147,327	140,804	76,128	520,070	49,616	100,204	620,274
Humanitarian aid (including donated toys, supplies and services of \$574,721)		7,910	621,487		629,397			629,397
Direct mail processing fees	41,053	41,052	41,052		123,157	3,973	9,270	132,427
Professional and consultant fees donated services of \$9,150)	23,561	18,862	25,552	3,125	71,100	28,871	55,523	126,623
Occupancy	33,146	33,146	33,146	12,000	111,438	3,208	7,485	118,923
Telephone and communications	5,129	5,027	5,787	604	16,547	180	315	16,862
Supplies and office expenses	7,861	7,736	8,926		24,523	301	527	25,050
Postage and mailing	5,428	6,911	20,244		32,583	126	220	32,803
Printing	6,067	5,937	5,946		17,950	416	728	18,678
Fees, dues and subscriptions	2,193	2,193	2,193		6,579	283	495	7,074
Equipment rental, repairs and maintenance	4,921	4,921	4,921	1,380	16,143	635	1,112	17,255
Travel and meetings	27,359	47,640	51,853		126,852	4,422	6,826	133,678
Staff development								
Event expenses								
Insurance	1,198	1,198	1,198		3,594	154	270	3,864
Interest and bank charges	4,725	4,725	4,725		14,175	610	1,067	15,242
Direct project expenses	51,141	48,555	92,243		191,939			191,939
Advertisement	617	717	1,609		2,943	80	140	3,083
Miscellaneous	512	512	512		1,536	66	115	1,651
Total Expenses Before Depreciation	370,722	384,369	1,062,198	93,237	1,910,526	94,087	191,922	2,102,448
Depreciation	3,129	3,129	3,129		9,387	403	706	10,093
Total Functional Expenses	\$ 373,851	\$ 387,498	\$ 1,065,327	\$ 93,237	\$ 1,919,913	\$ 94,490	\$ 192,628	\$ 2,112,541

See accompanying notes to financial statements.

MADRE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Flows from Operating Activities

Change in Net Assets (\$ 79,127)

Adjustments to reconcile change in Net Assets
to net cash provided by operating activities:

Depreciation	10,093
Decrease in grants and contributions receivable	26,044
Decrease in other receivable	1,655
Decrease in agency fund receivable	10,844
Decrease in prepaid expenses and deferred charges	860
Increase in inventories	(1,386)
Increase in security and utility deposits	(650)
Increase in funds held for agencies	(81,549)
Decrease in accounts and accrued expenses payable	(24,613)
Increase in agency funds payable	53,976
Decrease in deferred revenue	(8,025)
Net realized loss on investment transactions	2,374
Net unrealized loss on investment transactions	<u>133,134</u>

Total Adjustments 122,757

Net Cash Provided by Operating Activities 43,630

Cash Flows from Investing Activities

Acquisition of fixed assets	(3,963)
Purchases of investments	(848,817)
Proceeds from sales of investments	<u>1,018,940</u>

Net Cash Provided by Investing Activities 166,160

Net Increase in Cash 209,790

Cash and cash equivalents as of December 31, 2007 407,535

Cash and cash equivalents as of December 31, 2008 \$ 617,325

See accompanying notes to financial statements.

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

MADRE, Inc. (“MADRE”) is an international women’s human rights organization that works toward a world in which all people enjoy the fullest range of individual and collective human rights; in which resources are shared equitably and sustainably; in which women participate effectively in all aspects of society; and in which people have a meaningful say in decisions that affect their lives.

MADRE uses human rights to advance social justice. MADRE partners with women in communities worldwide to meet urgent, local needs and create long-term solutions to the problems that women face.

MADRE’s program areas are:

- Peace Building
- Women’s Health & Combating Violence Against Women
- Economic & Environmental Justice

MADRE is exempt under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State Code.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) The accompanying financial statements have been prepared on the accrual basis of accounting.
- b) Major acquisitions of fixed assets are capitalized and depreciated utilizing the straight line method over their estimated useful lives. Leasehold improvements are capitalized and amortized over the term of the lease or their estimated useful lives, whichever is shorter.
- c) All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. MADRE reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- d) Contributed securities are recorded at market value at the date of receipt.

(Continue)

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- e) Donated goods and services that are susceptible to objective measurement or valuation are recorded as support and expenses at fair value.
- f) Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with original maturities of less than 90 days. At year end and throughout the year, MADRE's cash balances were deposited in several banks. Management believes that MADRE is not exposed to any significant credit risk on cash and cash equivalents.
- g) Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless income or loss is restricted by donor or law.
- h) The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting report. Actual results could differ from those estimates.

NOTE 2 INVESTMENTS

Investments as of December 31, 2008 consist of the following:

Debt securities	\$	271,212
Equity securities		475,564
Mutual funds		169,294
Other assets		<u>3,795</u>
Total		<u>\$ 919,865</u>

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 3 FIXED ASSETS

As of December 31, 2008, the costs of the assets and the related accumulated depreciation were as follows:

Furniture and fixtures	\$	31,775
Equipment		<u>25,592</u>
		57,367
Less: accumulated depreciation		<u>45,040</u>
Net		<u><u>\$ 12,327</u></u>

NOTE 4 AGENCY FUNDS

MADRE is the fiscal sponsor of NGO Working Group, FIMI (Foro Internacional de Mujeres Indigenas) and other projects. MADRE charges administrative fees ranging from 5% to 10% on grants and contributions received for the sponsored projects. The net assets for these sponsored projects as of December 31, 2008 are reflected in the accompanying financial statements as agency funds payable.

MADRE works very closely with FIMI in securing women's rights of indigenous women. MADRE provided technical, administrative and development support to FIMI. In 2008, FIMI program costs totaling \$93,237 was funded by MADRE.

NOTE 5 NET ASSETS RELEASED FROM RESTRICTIONS

The amounts released from restriction during the year ended December 31, 2008 are as follows:

Satisfaction of purpose restrictions:		
Argentina Project	\$	10,780
Columbia Project		11,196
Cuban Project		50
Emergency and Disaster Relief		30,789
Guatemala Project		22,875
Haiti Hurricane Relief		34,298
Iraq Project		42,212
Kenya Project		61,789
Nicaragua Project		43,211
Palestine Project		5,017
Peru Project		12,393
South Africa Project		3,250
Sudan Project		<u>13,842</u>
Total		<u><u>\$ 291,702</u></u>

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2008 are available for the following:

Columbia Project	\$ 2,172
Cuban Project	6,176
Guatemala Project	2,306
Haiti Hurricane Relief	38,492
Latin American Programs	14,000
Palestine Project	16,107
Peru Project	16,005
South Africa Project	<u>750</u>
Total	<u>\$ 96,008</u>

NOTE 7 IN-KIND CONTRIBUTIONS

In-kind contributions received during the year consist of the following:

Donated medical and relief supplies	\$ 574,721
Donated services	<u>9,150</u>
Total	<u>\$ 583,871</u>

NOTE 8 COMMITMENT

MADRE leases its premises under an operating lease expiring on March 31, 2010. The future minimum lease payments, exclusive of certain escalation costs, are as follows:

<u>Year Ending December 31</u>	
2009	\$ 118,261
2010	<u>29,817</u>
Total	<u>\$ 148,078</u>

NOTE 9 FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing MADRE's services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
MADRE, Inc.
New York, New York

The financial statements of MADRE, Inc., namely, the statement of financial position as of December 31, 2008, and the related statements of activities and changes in net assets and cash flows and functional expenses for the year then ended and our Independent Auditor's Report thereon, are included in the preceding section of this report.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying pages 11 and 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



New York, New York
March 3, 2009

MADRE, INC.
STATEMENT OF ACTIVITIES OF AFFILIATE PROJECT
NGO WORKING GROUP
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Support and Revenue</u>	
Grants and contributions	\$ <u>105,598</u>
Total Support and Revenue	<u>105,598</u>
<u>Expenses</u>	
Grant administration	10,560
Professional and consultant fees	81,331
Telephone and communications	13,418
Office supplies and expenses	7,296
Postage	536
Printing	13,439
Travel and conferences	3,798
Program expenses	139
Bank and credit card fees	<u>291</u>
Total Expenses	<u>130,808</u>
Change in Net Assets	(25,210)
Net Assets as of December 31, 2007	<u>29,108</u>
Net Assets as of December 31, 2008	<u>\$ 3,898</u>

See notes in the preceding section of this schedule.

MADRE, INC.
STATEMENT OF ACTIVITIES OF AFFILIATE PROJECT
FIMI
FOR THE YEAR ENDED DECEMBER 31, 2008

Support and Revenue

Grants and contributions	\$ 240,849
Contributions from MADRE - Note 4	93,237
Other income	<u>6,783</u>

Total Support and Revenue 340,869

Expenses

Grant administration	24,312
Salary and fringes	105,052
Professional and consultant fees	32,950
Occupancy	12,000
Office maintenance	1,380
Telephone and communications	1,769
Office supplies and expenses	3,902
Postage	117
Fees, dues and subscriptions	1,000
Printing	2,603
Travel and conferences	66,559
Program expenses	10,098
Miscellaneous expense	<u>1,487</u>

Total Expenses 263,229

Change in Net Assets 77,640

Net Assets as of December 31, 2007 (10,844)

Net Assets as of December 31, 2008 \$ 66,796

See notes in the preceding section of this schedule.