

MADRE, INC.

INDEPENDENT AUDITORS' REPORT
ON
FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009

AND

FOR THE YEAR THEN ENDED

MADRE, INC.

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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, 2009 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, 2009 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.

Winnie Tam & Co., P.C.

New York, New York
June 28, 2010

MADRE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2009

	<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	\$ 80,857		\$ 130,805	\$ 211,662
Investments - Notes 1 and 2	1,452,472			1,452,472
Grants and contributions receivable	153,018			153,018
Other receivable	2,310			2,310
Inventories - at lower of cost or market	2,890			2,890
Prepaid expenses	5,224			5,224
Funds held for Agencies	<u> </u>	\$ 293,961	<u> </u>	<u>293,961</u>
Total Current Assets	1,696,771	293,961	130,805	2,121,537
Fixed Assets				
Fixed assets, at cost, net of accumulated depreciation of \$26,362 - Notes 1 and 3	6,297			6,297
Other Assets				
Security and utility deposits	<u>21,893</u>	<u>1,568</u>	<u> </u>	<u>23,461</u>
Total Assets	<u>\$ 1,724,961</u>	<u>\$ 295,529</u>	<u>\$ 130,805</u>	<u>\$ 2,151,295</u>
<u>LIABILITIES AND NET ASSETS</u>				
LIABILITIES				
Current Liabilities				
Agency funds payable		\$ 295,529		\$ 295,529
Accounts and accrued expenses payable	<u>\$ 86,043</u>	<u> </u>		<u>86,043</u>
Total Liabilities	86,043	295,529		381,572
Commitments - Note 7				
NET ASSETS				
Net Assets	<u>1,638,918</u>	<u> </u>	\$ 130,805	<u>1,769,723</u>
Total Liabilities and Net Assets	<u>\$ 1,724,961</u>	<u>\$ 295,529</u>	<u>\$ 130,805</u>	<u>\$ 2,151,295</u>

See accompanying notes to financial statements.

MADRE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>All Funds</u>
<u>Support and Revenue</u>			
Grants and contributions	\$ 571,744	\$ 233,882	\$ 805,626
Direct mail and membership	337,777		337,777
In-kind contributions - Note 8	1,037,484		1,037,484
Special events	3,665		3,665
Delegation income	9,384		9,384
Administrative fees	32,167		32,167
Interest and dividend income	52,381		52,381
Net realized loss on investment transactions	(9,524)		(9,524)
Honorariums	10,808		10,808
Sales income	3,373		3,373
Other income	<u>7,535</u>		<u>7,535</u>
Total Support and Revenue	2,056,794	233,882	2,290,676
Net Assets released from restriction - Note 5	<u>199,085</u>	(<u>199,085</u>)	<u>-</u>
Total Support and Revenue	<u>2,255,879</u>	<u>34,797</u>	<u>2,290,676</u>
<u>Expenses</u>			
Program Services			
Peace Building	335,674		335,674
Health and Violence Against Women	609,909		609,909
Environmental and Economic Justice	<u>1,155,978</u>		<u>1,155,978</u>
Total Program Services	<u>2,101,561</u>		<u>2,101,561</u>
Supporting Services			
Administrative and General	111,577		111,577
Fund Raising	<u>157,404</u>		<u>157,404</u>
Total Supporting Services	<u>268,981</u>		<u>268,981</u>
Total Expenses	<u>2,370,542</u>		<u>2,370,542</u>
Change in Net Assets before Net unrealized gains on investments	(114,663)	34,797	(79,866)
Net unrealized gains on investments	<u>227,195</u>		<u>227,195</u>
Change in Net Assets	112,532	34,797	147,329
Net Assets as of December 31, 2008	<u>1,526,386</u>	<u>96,008</u>	<u>1,622,394</u>
Net Assets as of December 31, 2009	<u>\$ 1,638,918</u>	<u>\$ 130,805</u>	<u>\$ 1,769,723</u>

See accompanying notes to financial statements.

MADRE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	PROGRAM SERVICES			SUPPORTING SERVICES			Total Program and Supporting Services
	Peace Building	Health and Violence Against Women	Environmental and Economic Justice	Administrative and General	Fund Raising	Total	
Salaries	\$ 155,124	\$ 124,197	\$ 126,360	\$ 37,624	\$ 34,485	\$ 72,109	\$ 477,790
Fringe benefits	20,680	16,557	16,846	5,016	4,597	9,613	63,696
Payroll taxes	13,292	10,642	10,827	3,224	2,955	6,179	40,940
Total Salaries and Related Expenses	189,096	151,396	154,033	45,864	42,037	87,901	582,426
Humanitarian aid (including donated medical and relief supplies of \$1,037,484)		306,909	761,720		61,555	64,020	1,068,629
Direct mail processing fees	50,090	23,459	28,607	2,465	17,179	47,175	166,176
Professional and consultant fees	24,919	19,068	21,147	29,996	24,646	49,293	112,309
Occupancy	24,646	24,647	24,646	24,647	24,646	49,293	123,232
Telephone and communications	2,305	2,286	5,697	742	1,803	742	11,030
Supplies and office expenses	7,919	4,679	8,072	2,253	4,268	4,056	24,726
Postage and mailing	5,559	5,992	21,478	785	4,268	5,053	38,082
Printing	124	62	62				248
Fees, dues and subscriptions	2,521	2,521	2,521	239	159	398	7,961
Equipment rental, repairs and maintenance	4,248	4,248	4,250	2,731	2,731	5,462	18,208
Travel and meetings	6,677	23,642	37,797	166	1,543	1,709	69,825
Investment fees	1,991	1,991	1,991	256	193	449	6,422
Event expenses	114		114		36	36	150
Insurance	1,239	1,239	1,239	77	78	155	3,872
Bank charges and credit card fees	2,958	3,056	3,153	640	853	1,493	10,660
Direct project expenses	8,302	32,110	75,779				116,191
Advertisement	200		200	350		350	550
Miscellaneous	430	269	1,450	66	97	163	2,312
Total Expenses Before Depreciation	333,338	607,574	1,153,642	111,277	157,178	268,455	2,363,009
Depreciation	2,336	2,335	2,336	300	226	526	7,533
Total Functional Expenses	\$ 335,674	\$ 609,909	\$ 1,155,978	\$ 111,577	\$ 157,404	\$ 268,981	\$ 2,370,542

See accompanying notes to financial statements.

MADRE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

Cash Flows from Operating Activities

Change in Net Assets	\$ 147,329
Adjustments to reconcile change in Net Assets to net cash used in operating activities:	
Depreciation	7,533
Net realized loss on investment transactions	9,524
Net unrealized gains on investments	(227,195)
Change in assets and liabilities:	
Increase in grants and contributions receivable	(26,702)
Decrease in other receivable	16,784
Increase in prepaid expenses	(3,113)
Decrease in inventories	1,958
Increase in security and utility deposits	(2,895)
Increase in funds held for agencies	(159,602)
Decrease in accounts and accrued expenses payable	(42,754)
Increase in agency funds payable	<u>189,909</u>
 Net Cash Used in Operating Activities	 (<u>89,224</u>)

Cash Flows from Investing Activities

Purchase of computer equipment	(1,503)
Purchases of investments	(471,714)
Proceeds from sales of investments	<u>156,778</u>
 Net Cash Used in Investing Activities	 (<u>316,439</u>)

Net Decrease in Cash and cash equivalents	(405,663)
Cash and cash equivalents as of December 31, 2008	<u>617,325</u>
Cash and cash equivalents as of December 31, 2009	<u><u>\$ 211,662</u></u>

Supplemental Disclosure of Cash Flow Information

Gifts of securities	<u><u>\$ 3,626</u></u>
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See accompanying notes to financial statements.

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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) Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(Continue)

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All unconditional promises to give as of December 31, 2009 are due in less than one year.

- d) 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 financial institutions. Management believes that MADRE is not exposed to any significant credit risk on cash and cash equivalents.
- e) 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. The basis of determining the fair value of investments is the readily determinable sales price of the investments based on prices or quotations from over-the-counter markets.

Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities. Realized and unrealized gains and losses allocated to the unrestricted and temporarily restricted net assets are recognized as incurred. They are recorded in the Statement of Activities as income or loss in accordance with donors' restrictions.

- f) The classification of an 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 three classes of net assets, permanently restricted, temporarily restricted and unrestricted, 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.

The classes of net assets are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by MADRE is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of MADRE.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by MADRE is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of MADRE pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(Continue)

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- g) Inventories are stated at the lower of cost, determined by the FIFO method, or market.
- h) Donated goods and services that are susceptible to objective measurement or valuation are recorded as support and expenses at fair value. Contributed securities are recorded at market value at the date of receipt.
- i) 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 period. Actual results could differ from those estimates.

NOTE 2 INVESTMENTS

Investments are stated at fair value and consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
Mutual funds	\$ 693,924	\$ 683,647	(\$ 10,277)
Debt securities	178,868	167,977	(10,891)
Equity securities	458,695	595,850	137,155
Other assets	<u>9,020</u>	<u>4,998</u>	<u>(4,022)</u>
Total	<u>\$ 1,340,507</u>	<u>\$ 1,452,472</u>	<u>\$ 111,965</u>

The investment returns which are all unrestricted consist of the following:

Interest and dividend income	\$ 52,381
Net realized loss on investment transactions	(9,524)
Net unrealized gains on investments	<u>227,195</u>
Total	<u>\$ 270,052</u>

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 3 FIXED ASSETS

As of December 31, 2009, the costs of the assets and the related accumulated depreciation were as follows:

Furniture and fixtures		\$ 14,000
Equipment		<u>18,659</u>
		32,659
Less: accumulated depreciation		<u>26,362</u>
Net		<u>\$ 6,297</u>

Fully depreciated fixed assets of \$26,211 was disposed of during the year.

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, 2009 are reflected in the accompanying financial statements as agency funds payable.

NOTE 5 NET ASSETS RELEASED FROM RESTRICTIONS

The amounts released from restriction during the year ended December 31, 2009 are as follows:

Satisfaction of program restrictions:		
Latin American Programs		\$ 15,751
Public Education		15,000
Women's Health & Combating Violence Against Women		3,647
Programmatic Support		<u>31,176</u>
		<u>65,574</u>
Satisfaction of purpose restrictions:		
Afghanistan Projects		1,833
Columbian Projects		3,151
Emergency and Disaster Relief		2,582
Guatemala Projects		1,007
Haiti Hurricane Relief		250
Iraqi Projects		292
Kenya Projects		18,682
Mexico Project		2,538

(Continue)

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 5 NET ASSETS RELEASED FROM RESTRICTIONS - (Continued)

Satisfaction of purpose restrictions:	
Nicaragua Projects	\$ 27,395
Palestine Projects	40,690
Panama Project	4,500
Peru Projects	16,005
South African Project	150
Sri Lanka Disaster Relief	1,075
Sudan Projects	<u>13,361</u>
	<u>133,511</u>
Total	<u>\$ 199,085</u>

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2009 are available for the following:

Afghanistan Projects	\$ 28,517
Cuban Projects	6,177
Guatemala Projects	2,353
Haiti Hurricane Relief	39,768
Iraqi Projects	2,114
Kenya Projects	8,511
Latin American Programs	14,787
Mexico Project	7,613
Palestine Projects	16,759
South African Project	600
Sri Lanka Disaster Relief	763
Sudan Projects	<u>2,843</u>
Total	<u>\$ 130,805</u>

NOTE 7 COMMITMENTS

MADRE leases its premises under an operating lease expiring on March 31, 2015. In addition, NGO Working Group, a sponsored project of MADRE, leases an office space under an operating lease expiring on April 30, 2010. The future minimum lease payments, exclusive of certain escalation costs, are as follows:

<u>Year Ending December 31</u>	
2010	\$ 128,487
2011	125,972
2012	129,751
2013	133,644
Subsequent to 2013	<u>172,319</u>
Total	<u>\$ 690,173</u>

MADRE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 8 IN-KIND CONTRIBUTIONS

In-kind contributions received during the year consists of donated medical and relief supplies of \$1,037,484.

NOTE 9 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by MADRE in estimating its fair value disclosures for financial instruments:

- Cash and cash equivalents and unconditional promises to give: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
- Short-term investments: The fair values of investments are based on quoted market prices for those or similar investments.

The estimated fair values of MADRE's financial instruments are as follows:

	Carrying Amount	Fair Value
Financial assets:		
Cash and cash equivalents	\$ 211,662	\$ 211,662
Short-term investments	1,452,472	1,452,472
Unconditional promises to give	153,018	153,018

Fair Value Measurements at Reporting Date Using

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)
Short-term investments	\$ 1,452,472	\$ 1,452,472

NOTE 10 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, 2009, 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 13 and 14 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
June 28, 2010

MADRE, INC.
STATEMENT OF ACTIVITIES OF AFFILIATE PROJECT
NGO WORKING GROUP
FOR THE YEAR ENDED DECEMBER 31, 2009

Support and Revenue

Grants and contributions \$ 89,196

Total Support and Revenue 89,196

Expenses

Grant administration 8,920

Professional and consultant fees 67,237

Occupancy 9,404

Telephone and communications 4,414

Office supplies and expenses 667

Insurance 878

Printing 375

Meetings and conferences 54

Total Expenses 91,949

Change in Net Assets (2,753)

Net Assets as of December 31, 2008 3,898

Net Assets as of December 31, 2009 \$ 1,145

See notes in the preceding section of this schedule.

MADRE, INC.
STATEMENT OF ACTIVITIES OF AFFILIATE PROJECT
FIMI
FOR THE YEAR ENDED DECEMBER 31, 2009

Support and Revenue

Grants and contributions	\$ 427,868
Other income	<u>10,322</u>
Total Support and Revenue	<u>438,190</u>

Expenses

Grant administration	12,847
Salary and fringes	50,275
Professional and consultant fees	83,140
Occupancy	5,864
Telephone and communications	6,285
Office supplies and expenses	7,395
Postage	351
Fees, dues and subscriptions	1,035
Printing	1,476
Travel and conferences	47,278
Program expenses	7,367
Fundraising expenses	1,373
Bank charges and processing fees	660
Miscellaneous expense	<u>833</u>
Total Expenses	<u>226,179</u>

Change in Net Assets	212,011
Net Assets as of December 31, 2008	<u>66,796</u>
Net Assets as of December 31, 2009	<u>\$ 278,807</u>

See notes in the preceding section of this schedule.