

Fundacion AVINA

**Report and Summarized Consolidated
Financial Statements
December 31, 2008**

Fundacion AVINA

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Independent Auditor's Report

To the Audit and Risk Committee
of the Board of Director of
Fundacion AVINA
(Not for Profit Foundation)

1. The summarized consolidated financial statements have been derived from the consolidated financial statements of Fundacion AVINA for the year ended December 31, 2008. These summarized consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on whether these summarized consolidated financial statements are consistent, in all material respects, with the consolidated financial statement from which they were derived.
2. We have audited the consolidated financial statements of Fundacion AVINA for the year ended December 31, 2008, from which these summarized consolidated financial statements were derived, in accordance with International Standards on Auditing. In our report dated April 3, 2009 we expressed an unqualified opinion on the consolidated financial statements from which the summarized consolidated financial statements were derived.
3. In our opinion, the accompanying summarized consolidated financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived.
4. For a better understanding of the Foundation's financial position and the results of its operations for the period and of the scope of our audit, the summarized consolidated financial statements should be read in conjunction with the consolidated financial statements from which the summarized consolidated financial statements were derived and our audit report thereon.



April 3, 2009
Panama, Republic of Panama

Fundacion AVINA

Summarized Consolidated Balance Sheet December 31, 2008

	2008	2007
Assets		
Current assets		
Cash and cash equivalent	USD 4,890,835	USD 4,267,738
Restrictive fund	1,001,606	-
Loans and other receivable	388,561	218,923
Prepaid expenses	114,383	129,341
Other assets	<u>25,174</u>	<u>19,382</u>
Total current assets	6,420,559	4,635,384
Furniture, equipments and improvements, net	527,162	397,756
Non current assets	<u>34,903</u>	<u>73,000</u>
Total assets	<u>USD 6,982,624</u>	<u>USD 5,106,140</u>
Liabilities and Equity		
Current liabilities		
Accounts payable	USD 407,484	USD 655,948
Provision for other liabilities and charges	576,610	647,592
Taxes payable	1,422,439	1,416,354
Accrued expenses and other	<u>197,582</u>	<u>90,951</u>
Total current liabilities	2,604,115	2,810,845
Long term liabilities	<u>18,820</u>	<u>22,645</u>
Total liabilities	<u>2,622,935</u>	<u>2,833,490</u>
Equity		
Restricted reserves	274,968	272,936
Accumulated reserve for currency translation	306,943	(126,029)
Accumulated excess of income over expenses	<u>3,777,778</u>	<u>2,125,743</u>
Total equity	<u>4,359,689</u>	<u>2,272,650</u>
Total liabilities and equity	<u>USD 6,982,624</u>	<u>USD 5,106,140</u>

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Summarized Consolidated Income Statement For the year ended December 31, 2008

	2008	2007
Income		
Contributions received	USD 38,027,361	USD 31,227,135
Interest income	786,817	416,813
Other income	<u>35,134</u>	<u>84,482</u>
Total income	<u>38,849,312</u>	<u>31,728,430</u>
Expenses		
Programs		
Social investments	17,677,709	12,735,460
Services	<u>11,831,498</u>	<u>8,512,395</u>
	<u>29,509,207</u>	<u>21,247,855</u>
Administration		
General and administrative expenses	7,323,916	7,778,054
Amortization and depreciation	<u>199,331</u>	<u>264,851</u>
	<u>7,523,247</u>	<u>8,042,905</u>
Other expenses, net	<u>133,090</u>	<u>-</u>
Total expenses	<u>37,165,544</u>	<u>29,290,760</u>
Excess of income over expenses before income tax	1,683,768	2,437,670
Income tax	<u>29,701</u>	<u>21,027</u>
Excess of income over expenses	<u>USD 1,654,067</u>	<u>USD 2,416,643</u>

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Summarized Consolidated Statement of Change in Equity For the year ended December 31, 2008

	<u>Restricted Reserves</u>	<u>Accumulated Reserve for currency translation</u>	<u>Accumulated Excess of Income over Expenses</u>	<u>Total</u>
Balance at December 31, 2006 (unaudited)	USD 272,936	USD 180,670	USD (290,900)	USD 162,706
Excess of expenses over income	-	-	2,416,643	2,416,643
Translation differences	<u>-</u>	<u>(306,699)</u>	<u>-</u>	<u>(306,699)</u>
Balance at December 31, 2007	272,936	(126,029)	2,125,743	2,272,650
Excess of income over expenses	-	-	1,654,067	1,654,067
Transference to restricted reserves	2,032	-	(2,032)	-
Translation differences	<u>-</u>	<u>432,972</u>	<u>-</u>	<u>432,972</u>
Balance at December 31, 2008	<u>USD 274,968</u>	<u>USD 306,943</u>	<u>USD 3,777,778</u>	<u>USD 4,359,689</u>

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Summarized Consolidated Statement of Cash Flows For the year ended December 31, 2008

	2008	2007
Net cash provided by operating activities	USD 1,953,440	USD 3,155,583
Net cash flow used in investing activities	(328,737)	(329,698)
Net cash flow used in financing activities	<u>-</u>	<u>(8,519)</u>
Net increase in cash and cash equivalents	1,624,703	2,817,366
Cash, cash equivalents and restricted funds, at beginning of year	<u>4,267,738</u>	<u>1,450,372</u>
Cash, cash equivalents and restricted funds, at end of year	<u>USD 5,892,441</u>	<u>USD 4,267,738</u>