

# MADRE



Audited Financial Statements

December 31, 2016

## **Independent Auditors' Report**

To the Board of Directors of  
MADRE, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of MADRE, Inc. ("MADRE"), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, 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 accounting principles generally accepted in the United States of America; 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.

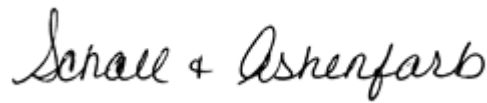
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MADRE, 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 accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited MADRE's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 22, 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.



Schall & Ashenfarb  
Certified Public Accountants, LLC

June 16, 2017

**MADRE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2016**  
(With comparative totals at December 31, 2015)

	<u>12/31/16</u>	<u>12/31/15</u>
<b>Assets</b>		
Cash and cash equivalents	\$949,410	\$808,563
Investments (Note 3)	2,224,884	1,925,007
Grants receivable	39,112	236,525
Contributions receivable, net (Note 4)	2,559,879	2,361,975
Prepaid expenses and other assets	74,921	27,017
Agency funds receivable - Due from FIMI project (Note 6)	0	2,083
Fixed assets, net (Note 5)	183,790	174,717
Security deposit	24,470	24,470
	<u>                    </u>	<u>                    </u>
Total assets	<u><u>\$6,056,466</u></u>	<u><u>\$5,560,357</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$64,906	\$151,194
Grant advance	26,323	0
Deferred rent	86,719	24,663
Agency funds payable - Due to other projects (Note 6)	15,906	107,857
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>193,854</u>	<u>283,714</u>
Net assets:		
Unrestricted	2,811,105	2,522,395
Temporarily restricted (Note 7)	3,051,507	2,754,248
	<u>                    </u>	<u>                    </u>
Total net assets	<u>5,862,612</u>	<u>5,276,643</u>
	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u><u>\$6,056,466</u></u>	<u><u>\$5,560,357</u></u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**MADRE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
(With comparative totals for the year ended December 31, 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 12/31/16</u>	<u>Total 12/31/15</u>
Operating:				
Public support and revenue:				
Public support:				
Contributions	\$1,491,929	\$1,387,987	\$2,879,916	\$1,895,971
Grants	418,449		418,449	489,985
In-kind contributions (Note 9)	1,466,693		1,466,693	1,258,776
Total public support	<u>3,377,071</u>	<u>1,387,987</u>	<u>4,765,058</u>	<u>3,644,732</u>
Revenue:				
Interest and investment income	68,331		68,331	37,552
Fiscal sponsor fee income	6,818		6,818	8,985
Miscellaneous	16,365		16,365	13,931
Total revenue	<u>91,514</u>	<u>0</u>	<u>91,514</u>	<u>60,468</u>
Net assets released from restrictions (Note 7)	<u>1,090,728</u>	<u>(1,090,728)</u>	<u>0</u>	<u>0</u>
Total public support and revenue	<u>4,559,313</u>	<u>297,259</u>	<u>4,856,572</u>	<u>3,705,200</u>
Expenses:				
Program services	<u>3,490,195</u>		<u>3,490,195</u>	<u>3,148,296</u>
Supporting services:				
Management and general	358,853		358,853	288,617
Fundraising	450,071		450,071	329,874
Total supporting services	<u>808,924</u>	<u>0</u>	<u>808,924</u>	<u>618,491</u>
Total expenses	<u>4,299,119</u>	<u>0</u>	<u>4,299,119</u>	<u>3,766,787</u>
Change in net assets from operations	260,194	297,259	557,453	(61,587)
Non-operating:				
Net gain/(loss) on investments (Note 3)	<u>28,516</u>		<u>28,516</u>	<u>(52,877)</u>
Change in net assets	288,710	297,259	585,969	(114,464)
Net assets - beginning of year	<u>2,522,395</u>	<u>2,754,248</u>	<u>5,276,643</u>	<u>5,391,107</u>
Net assets - end of year	<u>\$2,811,105</u>	<u>\$3,051,507</u>	<u>\$5,862,612</u>	<u>\$5,276,643</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**MADRE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
(With comparative totals for the year ended December 31, 2015)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/16	Total Expenses 12/31/15
	Program Services	Management and General	Fundraising			
Leased employees	\$703,904	\$40,399	\$167,266	\$207,665	\$911,569	\$700,838
Payroll taxes and benefits	171,470	9,841	40,744	50,585	222,055	178,591
Total personnel services	<u>875,374</u>	<u>50,240</u>	<u>208,010</u>	<u>258,250</u>	<u>1,133,624</u>	<u>879,429</u>
In-kind humanitarian aid (Note 9)	1,452,410			0	1,452,410	1,201,605
Direct project expenses	549,833			0	549,833	448,573
Professional fees (including in-kind) (Note 9)	95,420	206,373	4,167	210,540	305,960	480,458
Postage and mailings	23,328	16,967	40,501	57,468	80,796	69,883
Occupancy and space rental	225,801	12,191	50,472	62,663	288,464	177,348
Direct mail processing			50,975	50,975	50,975	53,498
Travel	112,309			0	112,309	167,173
Printing, design and publications	9,897	47	57,582	57,629	67,526	83,559
IT services and maintenance	17,303	993	4,111	5,104	22,407	25,889
Bank and credit card charges	990	17,669	9,955	27,624	28,614	27,414
Conferences	25,895	484	2,002	2,486	28,381	24,693
Telephone and communications	15,829	909	3,761	4,670	20,499	34,399
Equipment rental, repairs and maintenance	17,151	705	2,919	3,624	20,775	26,421
Office supplies and expenses (including in-kind) (Note 9)	29,871	1,709	7,077	8,786	38,657	19,371
Miscellaneous	11,485	374	2,051	2,425	13,910	19,877
Insurance	4,297	246	1,022	1,268	5,565	3,850
Bad debt expense		48,626		48,626	48,626	0
Depreciation	23,002	1,320	5,466	6,786	29,788	23,347
<b>Total</b>	<b><u>\$3,490,195</u></b>	<b><u>\$358,853</u></b>	<b><u>\$450,071</u></b>	<b><u>\$808,924</u></b>	<b><u>\$4,299,119</u></b>	<b><u>\$3,766,787</u></b>

*The attached notes and auditors' report are an integral part of these financial statements.*

**MADRE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
(With comparative totals for the year ended December 31, 2015)

	<u>12/31/16</u>	<u>12/31/15</u>
Cash flows from operating activities:		
Change in net assets	\$585,969	(\$114,464)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	29,788	23,347
Net (gain)/loss on investments	(28,516)	52,877
Donated securities	(218,289)	(15,044)
Changes in assets and liabilities:		
Grants receivable	197,413	(180,303)
Contributions receivable	(197,904)	469,715
Prepaid expenses and other assets	(47,904)	(5,496)
Cash held for outside agencies	0	2,768
Agency funds receivable - Due from FIMI project	2,083	(2,083)
Agency funds receivable - Due from other projects	0	11,238
Accounts payable and accrued expenses	(86,288)	40,226
Security deposit payable	26,323	0
Deferred rent	62,056	24,663
Agency funds payable - Due to FIMI project	0	(2,768)
Agency funds payable - Due to other projects	(91,951)	98,005
Total adjustments	<u>(353,189)</u>	<u>517,145</u>
Net cash provided by operating activities	<u>232,780</u>	<u>402,681</u>
Cash flows from investing activities:		
Fixed asset acquisition and leasehold improvements	(38,861)	(190,604)
Purchases of investments (including reinvestments of interest income)	(1,311,882)	(745,892)
Proceeds from sale of investments	1,258,810	719,324
Net transfers from operations to investments	0	449,713
Net cash (used for)/provided by investing activities	<u>(91,933)</u>	<u>232,541</u>
Net increase in cash and cash equivalents	140,847	635,222
Cash and cash equivalents - beginning of year	<u>808,563</u>	<u>173,341</u>
Cash and cash equivalents - end of year	<u><u>\$949,410</u></u>	<u><u>\$808,563</u></u>
Supplemental information:		
Interest and taxes paid	<u>\$0</u>	<u>\$0</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**MADRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**Note 1. Nature of the Organization**

MADRE, Inc. (“MADRE”) is an international women’s human rights organization that works towards 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 and partners with women in communities worldwide to meet urgent, local needs and create long-term solutions to the problems that women face.

MADRE was incorporated in the State of New York and is exempt from Federal taxes under Section 501(c)(3) of the Internal Revenue Code and similar New York State statutes. MADRE has been designated as an organization which is not a private foundation.

**Note 2. Summary of Significant Accounting Policies**

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred, rather than received or paid.

b. Basis of Presentation

MADRE reports information regarding their financial position and activities in the following classes of net assets:

- *Unrestricted* – represents all activity without donor-imposed restrictions as well as activity with donor-imposed restrictions that expire within the same period.
- *Temporarily restricted* – relates to contributions of cash and other assets with donor stipulations that make clear the assets’ restriction, either due to a program nature or by the passage of time.
- *Permanently restricted* – relates to contributions of cash and other assets whereby the assets must remain intact due to restrictions placed by the donor. There was no permanently restricted activity or net assets at December 31, 2016.

c. Revenue Recognition

Contributions are recorded as revenue upon the earlier receipt of cash or at the time a pledge is considered unconditional. Contributions received with specific donor restrictions have been recorded in the temporarily restricted class of net assets. All other contributions have been recorded in the unrestricted class of net assets. When the restrictions from temporarily restricted contributions have been met in the year of donation, they have been reported in the unrestricted class of net assets.



Each grant is reviewed to determine if it contains traits more similar to contributions or exchange transactions. For those grants that have been determined to be exchange transactions, revenue is recognized when earned. Cash received in advance of being earned are treated as liabilities.

d. Cash and Cash Equivalents

MADRE considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Significant Concentration

Financial instruments which potentially subject MADRE to concentration of credit risk consist of cash, money market accounts and investment securities which have been placed with high-quality financial institutions that management deems to be creditworthy. A significant portion of the funds is not insured by the FDIC or a related entity; however, MADRE has not experienced any losses from these accounts due to failure of any financial institution.

The market value of investments is subject to fluctuation; however, management believes that the investment policy is prudent for the long term welfare of MADRE.

f. Contributions Receivable

Contributions that are expected to be received in less than one year are recorded at net realizable value. Those pledges that are due in greater than one year are recorded at fair value which is calculated using a risk-adjusted rate of return. Long-term pledges are treated as time restricted until the period they are due, at which time they will be released from restriction and transferred to the unrestricted class of net assets.

g. Allowance for Doubtful Accounts

Management reviews receivables for collectability based on various factors such as historical trends and subsequent collections. Based on this review, management has deemed that no allowance for doubtful accounts is necessary for the years ended December 31, 2016 and 2015.

h. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are recognized in the statement of activities as non-operating activity.

i. Fixed Assets

Fixed assets, consisting of furniture and office equipment, are capitalized in the year acquired and are carried at cost, if purchased, or fair value, if donated. Depreciation and amortization are computed over the estimated useful lives of the assets (generally 3 years) or the life of the lease using the straight-line method. Maintenance and repairs, which neither materially add to the value of the asset nor appreciably prolong its life are charged to expenses as incurred.

j. In-Kind Services and Donated Materials

In-kind donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. See Note 9 for the details of in-kind services recognized.

Board members and other individuals volunteer their time and perform a variety of tasks that assist MADRE. Twenty-seven volunteers spent over 5,000 hours during 2016 and thirty-one volunteers spent over 5,100 hours of time during 2015. These services have not been recorded in the financial statements, as they do not meet the criteria outlined above.

k. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

l. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of MADRE.

m. Accounting for Uncertainty of Income Taxes

MADRE does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2013 and later are subject to examination by applicable taxing authorities.

n. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with MADRE's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through June 16, 2017, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.

p. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the December 31, 2018 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2020 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

MADRE has not yet evaluated the impact these standards will have on future financial statements.

**Note 3. Investments**

Accounting standards have established a fair value hierarchy, giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted, quoted prices in active markets for identical assets or liabilities that MADRE has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The fair value of investments held is as follows:

	<u>December 31, 2016</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash	\$640,219	\$0	\$640,219
Bond Funds:			
US Intermediate Government	123,511	0	123,511
US Intermediate Term	23,482	0	23,482
Global Bond	9,775	0	9,775
Equity Funds:			
US Small Blend	79,744	0	79,744
US Mid-Cap Blend	121,613	0	121,613
US Large Blend	76,400	0	76,400
Global Small/Mid Stock	18,923	0	18,923
Foreign Large Blend	65,030	0	65,030
Foreign Large Value	50,816	0	50,816
Diversified Emerging Markets	28,181	0	28,181
Real Estate	62,782	0	62,782
Bonds:			
Canadian Corporate	0	15,060	15,060
US Corporate	0	216,865	216,865
US Municipal	0	181,915	181,915
US Treasury	0	115,497	115,497
Equities:			
US Common Stock	87,146	0	87,146
Global Select Equity	0	76,230	76,230
US Exchange Traded Funds	173,775	0	173,775
Real Estate Investment Trusts	57,920	0	57,920
<b>Total</b>	<u>\$1,619,317</u>	<u>\$605,567</u>	<u>\$2,224,884</u>

December 31, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash	\$436,002	\$0	\$436,002
Bond Funds:			
US Short Government	326,474	0	326,474
US Intermediate Government	99,626	0	99,626
US Intermediate Term	8,851	0	8,851
Global Bond	5,808	0	5,808
Equity Funds:			
US Small Blend	14,145	0	14,145
US Mid-Cap Blend	32,095	0	32,095
US Large Blend	42,415	0	42,415
Global Small/Mid Stock	18,637	0	18,637
Foreign Large Blend	30,636	0	30,636
Foreign Large Value	29,888	0	29,888
Bonds:			
Canadian Corporate	0	25,127	25,127
US Corporate	0	196,995	196,995
US Municipal	0	181,170	181,170
US Treasury	0	119,887	119,887
Equities:			
US Common Stock	120,540	0	120,540
Foreign Common Stock	128,875	0	128,875
Global Select Equity	0	56,070	56,070
US Exchange Traded Funds	<u>51,766</u>	<u>0</u>	<u>51,766</u>
Total	<u>\$1,345,758</u>	<u>\$579,249</u>	<u>\$1,925,007</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value or certain financial instruments could result in different fair value measurements.

Net gain/(loss) on investments consisted of the following:

	<u>12/31/16</u>	<u>12/31/15</u>
Unrealized gain/(loss)	\$12,593	(\$57,999)
Realized gain	<u>15,923</u>	<u>5,122</u>
Total gain/(loss)	<u>\$28,516</u>	<u>(\$52,877)</u>

**Note 4. Contributions Receivable**

Contributions receivable at year end are due in the following periods:

		<u>12/31/16</u>	<u>12/31/15</u>
Year ended:	December 31, 2016	\$0	\$572,975
	December 31, 2017	1,122,879	500,000
	December 31, 2018	600,000	500,000
	December 31, 2019	500,000	500,000
	December 31, 2020	<u>500,000</u>	<u>500,000</u>
		2,722,879	2,572,975
Discount at 3.75%		<u>(163,000)</u>	<u>(211,000)</u>
Total		<u>\$2,559,879</u>	<u>\$2,361,975</u>

**Note 5. Fixed Assets**

Fixed assets consist of the following:

	<u>12/31/16</u>	<u>12/31/15</u>
Furniture and fixtures	\$14,000	\$14,000
Office equipment	68,578	29,717
Leasehold improvements	<u>186,878</u>	<u>186,878</u>
	269,456	230,595
Less: accumulated depreciation	<u>(85,666)</u>	<u>(55,878)</u>
Total fixed assets	<u>\$183,790</u>	<u>\$174,717</u>

**Note 6. Agency Funds Receivable and Payable**

MADRE is the fiscal sponsor of other projects that support human rights of women across the globe. MADRE records the funds received as a liability and then reduces the liability as funds are disbursed on behalf of the agencies. MADRE records disbursements as a receivable for the agencies' expenses in advance of receiving the funds on their behalf. MADRE is entitled to an administrative fee ranging from 5% to 10% on all funds received.

## Note 7. Temporarily Restricted Net Assets

The following summarizes the changes in temporarily restricted net assets:

	December 31, 2016			
	Balance 1/1/16	Contributions	Released from Restrictions	Balance 12/31/16
Program restrictions:				
Colombia projects	\$500	\$39,077	(\$17,477)	\$22,100
Guatemala projects	5,825	10,076	(1,229)	14,672
Iraqi projects	177,361	803,637	(273,123)	707,875
Kenya projects	10,000	40,000	(10,000)	40,000
Nicaragua projects	9,600	56,783	(25,146)	41,237
Palestine projects	12,319	18,144	(16,359)	14,104
Sudan projects	3,982	0	(3,982)	0
Syria projects	81,240	14,755	(60,160)	35,835
Emergency funds	139,421	2,515	(41,562)	100,374
Women climate defense	0	55,000	(16,690)	38,310
Other locations	<u>25,000</u>	<u>0</u>	<u>(25,000)</u>	<u>0</u>
Total program restrictions	465,248	1,039,987	(490,728)	1,014,507
Time restricted	<u>2,289,000</u>	<u>348,000</u>	<u>(600,000)</u>	<u>2,037,000</u>
Total	<u>\$2,754,248</u>	<u>\$1,387,987</u>	<u>(\$1,090,728)</u>	<u>\$3,051,507</u>
	December 31, 2015			
	Balance 1/1/15	Contributions	Released from Restrictions	Balance 12/31/15
Program restrictions:				
Haiti projects	\$3,852	\$590	(\$4,442)	\$0
Afghanistan projects	4,888	0	(4,888)	0
Africa relief	6,851	0	(6,851)	0
Colombia projects	669	10,358	(10,527)	500
Guatemala projects	18,041	320	(12,536)	5,825
Iraqi projects	12,869	181,162	(16,670)	177,361
Kenya projects	6,586	24,815	(21,401)	10,000
Nicaragua projects	6,211	14,495	(11,106)	9,600
Palestine projects	10,438	8,505	(6,624)	12,319
Peru projects	547	0	(547)	0
Sudan projects	19,196	17,384	(32,598)	3,982
Syria projects	35,309	64,818	(18,887)	81,240
Emergency funds	20,813	171,351	(52,743)	139,421
Other locations	<u>0</u>	<u>50,000</u>	<u>(25,000)</u>	<u>25,000</u>
Total program restrictions	146,270	543,798	(224,820)	465,248
Time restricted	<u>2,702,000</u>	<u>87,000</u>	<u>(500,000)</u>	<u>2,289,000</u>
Total	<u>\$2,848,270</u>	<u>\$630,798</u>	<u>(\$724,820)</u>	<u>\$2,754,248</u>

**Note 8. Commitments**

MADRE has an operating lease for office space which expires in March 2025. Rent expense charged to operations was approximately \$290,000 and \$180,000 in 2016 and 2015, respectively.

Minimum lease commitments, net of rental income, are summarized as follows:

Year ending:	December 31, 2017	\$207,602
	December 31, 2018	213,830
	December 31, 2019	220,245
	December 31, 2020	226,852
	December 31, 2021	233,658
	Thereafter	<u>808,177</u>
Total		<u>\$1,910,364</u>

**Note 9. In-Kind Services and Donated Materials**

The following summarizes in-kind services and donated materials:

	<u>December 31, 2016</u>			
	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>
Humanitarian aid	\$1,452,410	\$1,452,410	\$0	\$0
Legal	14,195	14,195	0	0
Supplies	88	0	88	0
Total	<u>\$1,466,693</u>	<u>\$1,466,605</u>	<u>\$88</u>	<u>\$0</u>

	<u>December 31, 2015</u>			
	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>
Humanitarian aid	\$1,201,605	\$1,201,605	\$0	\$0
Legal	56,646	56,646	0	0
Printing	525	0	0	525
Total	<u>\$1,258,776</u>	<u>\$1,258,251</u>	<u>\$0</u>	<u>\$525</u>

Donated non-cash assets that are used for humanitarian purposes for those in need in foreign countries are recorded at fair value. Inputs used to determine fair value include independent published sources where available, which is considered level 2 on the fair value hierarchy.

**Note 10. 403(b) Plan**

MADRE has a retirement plan under IRS Section 403(b). All eligible employees (as defined by the plan) may elect to defer a portion of their salary and contribute to this plan up to statutory amounts. MADRE can provide a discretionary match to eligible employees. MADRE contributed \$17,929 and \$17,293 to the 403(b) plan during the years ended December 31, 2016 and 2015, respectively.