



The Netherland-America Foundation, Inc.

Audited Financial Statements

December 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Netherland-America Foundation, Incorporated

Report on the Financial Statements

We have audited the accompanying financial statements of The Netherland-America Foundation, Incorporated (the "Foundation"), which comprise the statement of financial position as of December 31, 2017, 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.

Auditor's 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 auditor's 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

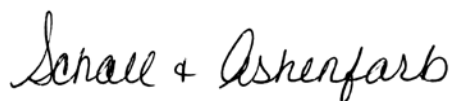
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Netherland-America Foundation, Incorporated as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 31, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in temporarily restricted net assets on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Schall & Ashenfarb
Certified Public Accountants, LLC

April 27, 2018

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017
(With comparative totals as of December 31, 2016)

	<u>12/31/17</u>	<u>12/31/16</u>
Assets		
Cash and cash equivalents	\$2,851,989	\$904,079
Investments (Note 3)	4,418,283	3,867,568
Contributions receivable	47,038	139,728
Student loans receivable (net of allowance for doubtful accounts) (Note 4)	452,667	495,434
Prepaid expenses and other assets	17,363	19,633
Property and equipment (net of accumulated depreciation) (Note 5)	<u>722</u>	<u>2,254</u>
Total assets	<u><u>\$7,788,062</u></u>	<u><u>\$5,428,696</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$427,799	\$112,061
Deferred revenue	3,930	4,285
Custodial accounts (Note 6)	<u>19,000</u>	<u>19,000</u>
Total liabilities	<u><u>450,729</u></u>	<u><u>135,346</u></u>
Net assets:		
Unrestricted:		
Operations	405,082	269,920
Board designated for friends fund	1,135,895	226,831
Funds held for long-term investment (including \$445,931 designated for student loans)	<u>3,261,166</u>	<u>2,898,009</u>
Total unrestricted net assets	<u>4,802,143</u>	<u>3,394,760</u>
Temporarily restricted (Note 8)	<u>2,535,190</u>	<u>1,898,590</u>
Total net assets	<u><u>7,337,333</u></u>	<u><u>5,293,350</u></u>
Total liabilities and net assets	<u><u>\$7,788,062</u></u>	<u><u>\$5,428,696</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative totals for the year ended December 31, 2016)

	Operations	Board Designated Friends Fund	Funds Held for Long Term & Student Loans	Total Unrestricted	Temporarily Restricted	Total 12/31/17	Total 12/31/16
Support and revenue:							
Contributions, grants and other gifts	\$3,552,878	\$909,064		\$4,461,942	\$760,382	\$5,222,324	\$984,408
Special events income (net of expenses with a direct benefit to donor) (Note 9)	638,062			638,062		638,062	594,838
Interest and dividends	4,011		\$59,314	63,325	46,904	110,229	82,875
Student loan interest	13,522			13,522		13,522	47,757
Foreign exchange loss	39,656			39,656		39,656	(5,078)
	<u>4,248,129</u>	<u>909,064</u>	<u>59,314</u>	<u>5,216,507</u>	<u>807,286</u>	<u>6,023,793</u>	<u>1,704,800</u>
Net assets released from restrictions (Note 8)	<u>310,689</u>			<u>0</u>	<u>(310,689)</u>	<u>0</u>	<u>0</u>
Total support and revenue	<u>4,558,818</u>	<u>909,064</u>	<u>59,314</u>	<u>5,216,507</u>	<u>496,597</u>	<u>6,023,793</u>	<u>1,704,800</u>
Expenses:							
Program services:							
Educational program grants and expenses	3,018,536			3,018,536		3,018,536	258,430
Cultural and historical grants and expenses	780,244			780,244		780,244	640,406
Student fellowships and expenses Washington	280,737			280,737		280,737	331,310
D.C. program	47,062			47,062		47,062	41,899
Total program expense	<u>4,126,579</u>	<u>0</u>	<u>0</u>	<u>4,126,579</u>	<u>0</u>	<u>4,126,579</u>	<u>1,272,045</u>
Supporting services:							
Management and general	101,418			101,418		101,418	90,727
Fundraising	195,659			195,659		195,659	186,778
Total supporting services	<u>297,077</u>	<u>0</u>	<u>0</u>	<u>297,077</u>	<u>0</u>	<u>297,077</u>	<u>277,505</u>
Total expenses	<u>4,423,656</u>	<u>0</u>	<u>0</u>	<u>4,423,656</u>	<u>0</u>	<u>4,423,656</u>	<u>1,549,550</u>
Change in net assets from operations Non- operating revenue:	135,162	909,064	59,314	1,103,540	496,597	1,600,137	155,250
Investment gain (net of fees) (Note 3)			303,843	303,843	140,003	443,846	159,918
Change in net assets	135,162	909,064	363,157	1,407,383	636,600	2,043,983	315,168
Net assets - beginning of year	<u>269,920</u>	<u>226,831</u>	<u>2,898,009</u>	<u>3,394,760</u>	<u>1,898,590</u>	<u>5,293,350</u>	<u>4,978,182</u>
Net assets - end of year	<u>\$405,082</u>	<u>\$1,135,895</u>	<u>\$3,261,166</u>	<u>\$4,802,143</u>	<u>\$2,535,190</u>	<u>\$7,337,333</u>	<u>\$5,293,350</u>

The attached notes and auditor's report are an integral part of these financial statements.

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative totals for the year ended December 31, 2016)

	Program Services				Supporting Services					
	Educational Program	Cultural and Historical Program	Student Fellowships Program	Washington D.C. Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 12/31/17	Total Expenses 12/31/16
Salaries	\$25,131	\$54,996	\$35,875	\$6,010	\$122,012	\$20,395	\$25,130	\$45,525	\$167,537	\$173,647
Payroll taxes and benefits	5,834	12,766	8,328	1,396	28,324	4,734	5,833	10,567	38,891	35,013
	<u>30,965</u>	<u>67,762</u>	<u>44,203</u>	<u>7,406</u>	<u>150,336</u>	<u>25,129</u>	<u>30,963</u>	<u>56,092</u>	<u>206,428</u>	<u>208,660</u>
Cultural grants	2,931,018	654,312			3,585,330	732		732	3,586,062	659,552
Fellowships			216,800		216,800			0	216,800	222,994
Special events (Note 9)					0		150,872	150,872	150,872	152,999
Chapter expense	2,500	6,083		36,350	44,933	3,010		3,010	47,943	61,518
Professional fees					0	43,572		43,572	43,572	40,837
Occupancy	7,555	16,533	10,785	1,807	36,680	6,131	7,554	13,685	50,365	48,443
Miscellaneous	8,740	21,834			30,574	17,757		17,757	48,331	22,322
Office supplies	1,982	4,338	2,830	474	9,624	1,609	1,983	3,592	13,216	13,055
Postage and shipping	600	1,312	856	143	2,911	486	601	1,087	3,998	5,549
Insurance	1,011	2,211	1,443	242	4,907	819	1,011	1,830	6,737	6,413
Telephone	1,075	2,353	1,535	257	5,220	872	1,076	1,948	7,168	5,965
Office equipment	729	1,595	1,041	173	3,538	593	728	1,321	4,859	4,827
Travel and entertainment	643	1,407	918	154	3,122	522	642	1,164	4,286	4,179
Bad debts	31,487				31,487			0	31,487	90,436
	<u>3,018,305</u>	<u>779,740</u>	<u>280,411</u>	<u>47,006</u>	<u>4,125,462</u>	<u>101,232</u>	<u>195,430</u>	<u>296,662</u>	<u>4,422,124</u>	<u>1,547,749</u>
Depreciation	<u>231</u>	<u>504</u>	<u>326</u>	<u>56</u>	<u>1,117</u>	<u>186</u>	<u>229</u>	<u>415</u>	<u>1,532</u>	<u>1,801</u>
Total expenses	<u><u>\$3,018,536</u></u>	<u><u>\$780,244</u></u>	<u><u>\$280,737</u></u>	<u><u>\$47,062</u></u>	<u><u>\$4,126,579</u></u>	<u><u>\$101,418</u></u>	<u><u>\$195,659</u></u>	<u><u>\$297,077</u></u>	<u><u>\$4,423,656</u></u>	<u><u>\$1,549,550</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative totals for the year ended December 31, 2016)

	<u>12/31/17</u>	<u>12/31/16</u>
Cash flows from operating activities:		
Change in net assets	\$2,043,983	\$315,168
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments	(456,385)	(170,021)
Depreciation	1,532	1,801
Changes in assets and liabilities:		
Contributions receivable	92,690	(26,010)
Student loans receivable, net	42,767	154,377
Prepaid expenses and other assets	2,270	8,372
Accounts payable and accrued expenses	315,738	12,211
Deferred revenue	(355)	2,145
Net cash provided by operating activities	<u>2,042,240</u>	<u>298,043</u>
Cash flows from investing activities:		
Proceeds from sales of investments	607,906	1,719,962
Purchase of investments	(702,236)	(1,651,473)
Net cash (used for)/ provided by investing activities	<u>(94,330)</u>	<u>68,489</u>
Net increase in cash and cash equivalents	1,947,910	366,532
Cash and cash equivalents - beginning of year	<u>904,079</u>	<u>537,547</u>
Cash and cash equivalents - end of year	<u><u>\$2,851,989</u></u>	<u><u>\$904,079</u></u>
Supplemental data:		
Interest paid	<u>\$0</u>	<u>\$0</u>
Taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1 - Nature of Organization

The Netherland-America Foundation, Incorporated (the "Foundation") was organized to promote understanding and better relations between the peoples of the United States and The Netherlands through a nationwide program of cultural, educational, and philanthropic activities. As part of its mission, among other things the Foundation issues grants to support Dutch painting and sculpture exhibitions in American galleries and provides fellowships to Dutch students pursuing an education in the United States and to American students pursuing an education in The Netherlands. The Foundation also provides funds to support projects of mutual historical significance.

The Foundation has been notified that it is a not-for-profit organization exempt from Federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. It has not been designated as a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting which is the process of recording revenue and expenses based on when they are earned or incurred rather than received or paid.

b. Net Assets

The Foundation reports information regarding its financial position and activities according to the following class of net assets:

- *Unrestricted* – represents those resources for which there are no restrictions by donors as to their use. Included within this class are two categories board designated unrestricted net assets. The Friends Fund was established to support Netherlands-based cultural, educational and charitable institutions. Additionally, the board has established a reserve for long-term investments, which includes \$445,931 specifically designated for student loans.
- *Temporarily restricted* – represents those resources, the use of which has been restricted by donors to specific purposes or the passage of time.
- *Permanently restricted* – represents activity restricted by donors that must remain intact in perpetuity. The Foundation had no contributions or net assets of this type during the year.

c. Contributions

Contributions are recorded at the earlier of when cash is received or a donor makes an unconditional promise to give. Contributions are considered available for unrestricted use, unless specifically restricted by the donor, in which case they are recorded as temporarily or permanently restricted. When a restriction is satisfied or expires with

the passage of time, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a restricted contribution is satisfied within the same period it has been received, it is recorded as unrestricted.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using a risk-adjusted discounted rate. Conditional contributions are recognized as income when the conditions have been substantially met.

d. Cash and Cash Equivalents

Checking and money market accounts with banks and highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Foundation to concentration of credit risk consist of cash, investments and student loans receivable.

The Foundation places its temporary cash and money market accounts with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. A significant portion of the funds is not insured by the FDIC or related entity; however, management feels they have little risk and has not experienced any losses due to bank failure.

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

Concentration of credit risk with respect to student loans receivable is insignificant because no individual student loan accounts for a significant amount of the outstanding loans.

f. Allowance for Doubtful Accounts

The Foundation bases its allowance for doubtful accounts on its historical loss experience considering the age of the receivables.

g. 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 reflected in the statement of activities.

Donated securities are recorded at fair value on the date of the gift and, except as otherwise required by the donor, are immediately sold by the Foundation. Since it is the Foundation's policy to sell the donated securities upon receipt, the contributions are classified as operating activities in the statement of cash flows unless the donor restricts resources to long-term purposes, in which case those cash receipts are classified as cash flows from investing activities.

h. Property and Equipment

Property and equipment that exceed predetermined thresholds and have a useful life greater than one year are capitalized at cost or at their fair value at the date of donation. Depreciation is recorded using the straight-line method over 3 to 5 years.

i. Deferred Revenue

Income is deferred and recognized over the periods to which the revenue relates.

j. In-kind Support

Donated services are recorded at fair value if they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would be purchased if not provided by donation.

Although many board members volunteer their time and perform a variety of tasks that assist the Foundation, these services have not been recorded in the financial statements because they do not meet the criteria outlined above.

k. Functional Allocation of Expenses

The costs of providing the Foundation's various programs and supporting services have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited in reasonable ratios determined by management.

l. Summarized Comparative 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 the Foundation's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

m. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

n. Accounting for Uncertainty of Income Taxes

The Foundation does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2014 and later are subject to examination by applicable taxing authorities.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through April 27, 2018, the date the financial statements were available to be issued. No events 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.

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 all leases to be reflected as assets and liabilities on the statement of financial position.

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

Note 3 - Investments

All investments were measured using Level 1 inputs, which are the quoted prices in active markets for identical assets.

The following summarizes the composition of investments:

	<u>12/31/17</u>	<u>12/31/16</u>
Money markets	\$27,300	\$63,056
Equity securities – health care	0	1,067
Exchange traded funds:		
Equity	1,801,143	1,518,272
Fixed income	609,514	499,747
Other	0	130,549
Mutual funds – bonds	517,246	434,860
Mutual funds – equities:		
U.S. large index	364,402	286,740
U.S. small cap	145,794	107,693
U.S. long/short funds	70,426	122,568
International	420,385	302,378
Emerging markets	183,305	91,516
Other	<u>278,768</u>	<u>309,122</u>
Total	<u>\$4,418,283</u>	<u>\$3,867,568</u>

The Foundation's primary investment objective is to preserve and protect its investment assets, subject to the specific guidelines of the investment assets. The overall investment objective for the investment assets is to achieve maximum returns over the long-term, consistent with prudent levels of risk and the objective that the real value of all investment assets (in terms of the funds' ability to support the mission and activities of the Foundation over time) should be preserved. Part of the Foundation's investments assets is managed by an independent investment manager. The investment policy requires that the manager appropriately diversify the investment assets so that no single security, class of securities or investment style will be expected to have a disproportionate impact on the overall

investment assets performance relative to the objectives. The investments are expected to outperform agreed-upon benchmarks for the applicable asset class or group of asset classes.

Total investment returns were as follows:

	<u>12/31/17</u>	<u>12/31/16</u>
Unrealized gain on investments	\$418,246	\$119,542
Realized gain on sale of investments	<u>38,139</u>	<u>50,479</u>
Investment gain	456,385	170,021
Investment fees	<u>(12,539)</u>	<u>(10,103)</u>
Net investment gain	<u>\$443,846</u>	<u>\$159,918</u>

Note 4 - Student Loans Receivable

The Education Committee of the Foundation makes student loans to qualified individuals. The loans are non-interest bearing, unless they become overdue in which case interest is charged on the unpaid balance. Loans range from \$1,200 to \$20,000 with a three-year term. They are financed by the Maarten van Hengel Board Designated Fund, Mark Pigott Board Designated Fund, the Planten & Plugers Fund and the Samuel Freeman Program.

In early 2017, the Education Committee of the Foundation adopted new standard operating procedures and policies for student loans and applied this policy to student loan balances at December 31, 2016. Applying the new allowance guidelines included in that policy to loan balance at December 31, 2017 would reduce the reserve by \$24,209 as repayments on loans outstanding improved. The Foundation has only one year experience with the new policy and therefore the Foundation decided not to release provisions until the loans provided for have been fully repaid.

Student loans receivable are due to be collected in the following years:

	<u>12/31/17</u>	<u>12/31/16</u>
Year ending:		
December 31, 2017	\$0	\$370,427
December 31, 2018	333,850	132,500
December 31, 2019	95,000	95,000
December 31, 2020	<u>130,000</u>	<u>0</u>
	558,850	597,927
Allowance for doubtful accounts	<u>(106,183)</u>	<u>(102,493)</u>
Student loan receivable – net of allowance	<u>\$452,667</u>	<u>\$495,434</u>

Note 5 - Property and Equipment

Property and equipment consist of the following:

	<u>12/31/17</u>	<u>12/31/16</u>
Office equipment	\$7,701	\$7,701
Accumulated depreciation	<u>(6,979)</u>	<u>(5,447)</u>
Total	<u>\$722</u>	<u>\$2,254</u>

Note 6 - Custodial Accounts

In 2005, the Foundation entered into an agreement with The Netherlands American Amity Trust to combine operations in order to further their mission. The agreement requires the Foundation to maintain custodial funds totaling \$19,000 and restricts the use of interest earned to support the awards presented at The Netherlands-American Foundation Gala Awards Dinner.

Note 7 - Term Endowment

The Foundation was the beneficiary of a term endowment. Contributions were received with restrictions to establish an educational fund. The unused contributions are required to be reinvested with all related income and are also restricted for the educational fund. This activity is reflected in the temporarily restricted class of net assets.

Net assets are released from restriction based on actual spending plus indirect expenses calculated at a rate of 8% of the annual average of the fair value of investments for the prior twelve quarters.

The following outlines the term endowment activity:

	<u>12/31/17</u>	<u>12/31/16</u>
Temporarily Restricted:		
Funds held – beginning of year	\$1,415,490	\$1,459,645
Investment income	46,904	31,257
Net realized and unrealized gains on investments	140,003	48,905
Appropriation for expenditure	<u>(128,219)</u>	<u>(124,317)</u>
Funds held – end of year	<u>\$1,474,178</u>	<u>\$1,415,490</u>

Note 8 - Temporarily Restricted Net Assets

At year end, net assets were restricted for the following purposes:

	<u>12/31/17</u>	<u>12/31/16</u>
Reuvers Educational Fund	\$1,474,178	\$1,415,490
Planten & Pluygers Fund	11,553	15,243
Fellowships	516,720	456,002
Carillon Fund	433,751	0
Dekker-Padget	86,004	0
Awards and others	<u>12,984</u>	<u>11,855</u>
Total	<u>\$2,535,190</u>	<u>\$1,898,590</u>

Net assets were released from restriction for the following programs:

	<u>12/31/17</u>	<u>12/31/16</u>
Reuvers Educational Fund	\$128,219	\$124,317
Planten & Pluygers Fund	3,690	69,336
Fellowships	156,032	139,500
Dekker-Padget	13,996	0
Awards and others	<u>8,752</u>	<u>452</u>
Total	<u>\$310,689</u>	<u>\$333,605</u>

Note 9 - Special Events Income

Special event activities of the Foundation were comprised of the following:

	<u>December 31, 2017</u>			
	Peter Stuyvesant Ball	NAF Gala Awards Dinner	Other	Total
Gross revenue	\$593,485	\$185,045	\$65,691	\$844,221
Less: expenses where donor receives a direct benefit	<u>(135,919)</u>	<u>(36,175)</u>	<u>(34,065)</u>	<u>(206,159)</u>
	457,566	148,870	31,626	638,062
Less: other event expenses	<u>(102,342)</u>	<u>(29,294)</u>	<u>(19,236)</u>	<u>(150,872)</u>
Net fundraising event	<u>\$355,224</u>	<u>\$119,576</u>	<u>\$12,390</u>	<u>\$487,190</u>

	<u>December 31, 2016</u>			
	Peter Stuyvesant Ball	NAF Gala Awards Dinner	Other	Total
Gross revenue	\$568,993	\$186,791	\$84,620	\$840,404
Less: expenses where donor receives a direct benefit	<u>(145,605)</u>	<u>(42,175)</u>	<u>(57,786)</u>	<u>(245,566)</u>
	423,388	144,616	26,834	594,838
Less: other event expenses	<u>(105,190)</u>	<u>(30,058)</u>	<u>(17,751)</u>	<u>(152,999)</u>
Net fundraising event	<u>\$318,198</u>	<u>\$114,558</u>	<u>\$9,083</u>	<u>\$441,839</u>

Note 10 - Operating Lease Commitment

On September 1, 2015, the Foundation entered into an office lease through October 31, 2022. Future minimum payments due on this are as follows:

Year ending:	December 31, 2018	\$47,575
	December 31, 2019	49,002
	December 31, 2020	50,472
	December 31, 2021	51,986
	December 31, 2022	<u>44,180</u>
Total		<u>\$243,215</u>

Total rent expense was \$50,365 and \$48,443 for 2017 and 2016, respectively.

Note 11 - Retirement Plan

The Foundation has a 403(b) plan where employees may contribute pre-tax dollars to a voluntary retirement account. Employees are eligible for inclusion to this plan upon date of hire. The Foundation can make contributions to the plan at the Board of Directors' discretion although for the years ended December 31, 2017 and 2016, the Foundation has not elected to do so.

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
SCHEDULE OF CHANGES IN TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Reuvers Educational Fund	Planten & Pluygers Fund	Fellowships	Carillon Fund	VISA Program	Awards & Other	Total
Support and revenue:							
Contributions, grants and other gifts			\$216,750	\$433,751	\$100,000	\$9,881	\$760,382
Interest and dividends	\$46,904						46,904
Total support and revenue	46,904	0	216,750	433,751	100,000	9,881	807,286
Satisfaction of program restrictions:							
Student fellowships	110,396		128,235		13,996		252,627
Bad debt expense		3,690	27,797				31,487
Fees and other expenses	17,823					8,752	26,575
Total program restrictions	128,219	3,690	156,032	0	13,996	8,752	310,689
Change in temporarily restricted net assets from operations	(81,315)	(3,690)	60,718	433,751	86,004	1,129	496,597
Non-operating revenue:							
Net realized and unrealized gain on investments	140,003						140,003
Change in net assets	58,688	(3,690)	60,718	433,751	86,004	1,129	636,600
Net assets - beginning of year	1,415,490	15,243	456,002	0		11,855	1,898,590
Net assets - end of year	<u>\$1,474,178</u>	<u>\$11,553</u>	<u>\$516,720</u>	<u>\$433,751</u>	<u>\$86,004</u>	<u>\$12,984</u>	<u>\$2,535,190</u>