



The Netherland-America Foundation, Inc.

**THE NETHERLAND-AMERICA
FOUNDATION, INCORPORATED**

Audited Financial Statements

December 31, 2016

INDEPENDENT AUDITORS' 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, 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

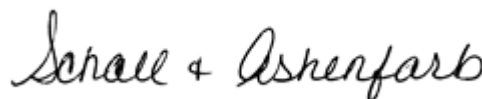
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Netherland-America Foundation, Incorporated as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 13, 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.

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 14 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

May 31, 2017

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016

(With comparative totals as of December 31, 2015)

	<u>12/31/16</u>	<u>12/31/15</u>
Assets		
Cash and cash equivalents	\$904,079	\$537,547
Investments (Note 3)	3,867,568	3,766,036
Contributions receivable	139,728	113,718
Student loans receivable (net of allowance for doubtful accounts) (Note 4)	495,434	649,811
Prepaid expenses and other assets	19,633	28,005
Property and equipment (net of accumulated depreciation) (Note 5)	<u>2,254</u>	<u>4,055</u>
Total assets	<u><u>\$5,428,696</u></u>	<u><u>\$5,099,172</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$112,061	\$99,850
Deferred revenue	4,285	2,140
Custodial accounts (Note 6)	<u>19,000</u>	<u>19,000</u>
Total liabilities	<u>135,346</u>	<u>120,990</u>
Net assets:		
Unrestricted:		
Current	269,920	207,827
Board designated for friends fund	226,831	0
Board designated for student loans	445,931	445,931
Funds held for long-term investment	<u>2,452,078</u>	<u>2,306,391</u>
Total unrestricted net assets	3,394,760	2,960,149
Temporarily restricted (Note 8)	<u>1,898,590</u>	<u>2,018,033</u>
Total net assets	<u>5,293,350</u>	<u>4,978,182</u>
Total liabilities and net assets	<u><u>\$5,428,696</u></u>	<u><u>\$5,099,172</u></u>

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

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	Operating	Board Designated Friends Fund	Funds Held for Long Term & Student Loans	Total Unrestricted	Temporarily Restricted	Total 12/31/16	Total 12/31/15
Support and revenue:							
Contributions, grants and other gifts	\$749,577	\$226,831		\$976,408	\$8,000	\$984,408	\$1,246,999
Special events income (net of expenses with a direct benefit to donor) (Note 9)	468,838			468,838	126,000	594,838	534,528
Interest and dividends	16,944		\$34,674	51,618	31,257	82,875	68,743
Student loan interest	47,757			47,757		47,757	0
Foreign exchange loss	(5,078)			(5,078)		(5,078)	(12,331)
	<u>1,278,038</u>	<u>226,831</u>	<u>34,674</u>	<u>1,539,543</u>	<u>165,257</u>	<u>1,704,800</u>	<u>1,837,939</u>
Net assets released from restrictions (Note 8)	333,605			(264,269)	(333,605)	0	0
Total support and revenue	<u>1,611,643</u>	<u>226,831</u>	<u>34,674</u>	<u>1,275,274</u>	<u>(168,348)</u>	<u>1,704,800</u>	<u>1,837,939</u>
Expenses:							
Program services:							
Educational program grants and expenses	258,430			258,430		258,430	346,595
Cultural and historical grants and expenses	640,406			640,406		640,406	857,635
Student fellowships and expenses	331,310			331,310		331,310	314,503
Washington D.C. program	41,899			41,899		41,899	36,802
Total program expense	<u>1,272,045</u>	<u>0</u>	<u>0</u>	<u>1,272,045</u>	<u>0</u>	<u>1,272,045</u>	<u>1,555,535</u>
Supporting services:							
Management and general	90,727			90,727		90,727	105,336
Fundraising	186,778			186,778		186,778	186,642
Total supporting services	<u>277,505</u>	<u>0</u>	<u>0</u>	<u>277,505</u>	<u>0</u>	<u>277,505</u>	<u>291,978</u>
Total expenses	<u>1,549,550</u>	<u>0</u>	<u>0</u>	<u>1,549,550</u>	<u>0</u>	<u>1,549,550</u>	<u>1,847,513</u>
Change in net assets from operations	62,093	226,831	34,674	323,598	(168,348)	155,250	(9,574)
Non-operating revenue:							
Investment gain/(loss) (net of fees) (Note 3)			111,013	111,013	48,905	159,918	(236,090)
Change in net assets	62,093	226,831	145,687	434,611	(119,443)	315,168	(245,664)
Net assets - beginning of year	<u>207,827</u>		<u>2,752,322</u>	<u>2,960,149</u>	<u>2,018,033</u>	<u>4,978,182</u>	<u>5,223,846</u>
Net assets - end 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>

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

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	Program Services				Supporting Services			Total Expenses 12/31/16	Total Expenses 12/31/15	
	Educational Program	Cultural and Historical Program	Student Fellowships Program	Washington D.C. Program	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries	\$17,104	\$50,066	\$62,928	\$2,520	\$132,618	\$21,405	\$19,624	\$41,029	\$173,647	\$166,582
Payroll taxes and benefits	3,449	10,095	12,688	508	26,740	4,316	3,957	8,273	35,013	33,537
	<u>20,553</u>	<u>60,161</u>	<u>75,616</u>	<u>3,028</u>	<u>159,358</u>	<u>25,721</u>	<u>23,581</u>	<u>49,302</u>	<u>208,660</u>	<u>200,119</u>
Cultural grants	133,992	525,446			659,438	114		114	659,552	1,067,903
Fellowships			222,994		222,994			0	222,994	211,029
Special events (Note 9)					0		152,999	152,999	152,999	153,950
Chapter expense	4,500	18,458		37,560	60,518	1,000		1,000	61,518	46,127
Professional fees					0	40,837		40,837	40,837	40,321
Occupancy	4,772	13,967	17,555	703	36,997	5,971	5,475	11,446	48,443	31,357
Miscellaneous	60	10,326			10,386	11,936		11,936	22,322	31,237
Office supplies	1,286	3,764	4,731	190	9,971	1,608	1,476	3,084	13,055	21,186
Postage and shipping	547	1,600	2,011	81	4,239	683	627	1,310	5,549	4,824
Insurance	632	1,849	2,324	93	4,898	790	725	1,515	6,413	6,515
Telephone	588	1,720	2,162	87	4,557	734	674	1,408	5,965	6,035
Office equipment	475	1,391	1,750	70	3,686	596	545	1,141	4,827	12,196
Travel and entertainment	412	1,205	1,514	61	3,192	515	472	987	4,179	3,710
Bad debts	90,436				90,436				90,436	9,339
	<u>258,253</u>	<u>639,887</u>	<u>330,657</u>	<u>41,873</u>	<u>1,270,670</u>	<u>90,505</u>	<u>186,574</u>	<u>277,079</u>	<u>1,547,749</u>	<u>1,845,848</u>
Depreciation	177	519	653	26	1,375	222	204	426	1,801	1,665
Total expenses	<u><u>\$258,430</u></u>	<u><u>\$640,406</u></u>	<u><u>\$331,310</u></u>	<u><u>\$41,899</u></u>	<u><u>\$1,272,045</u></u>	<u><u>\$90,727</u></u>	<u><u>\$186,778</u></u>	<u><u>\$277,505</u></u>	<u><u>\$1,549,550</u></u>	<u><u>\$1,847,513</u></u>

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

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
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	\$315,168	(\$245,664)
Adjustments to reconcile changes in net assets to net cash provided by/(used for) operating activities:		
Realized and unrealized (gain)/loss on investments	(170,021)	227,034
Donated stock	(11,264)	(119,193)
Depreciation	1,801	1,665
Changes in assets and liabilities:		
Contributions receivable	(26,010)	(5,171)
Student loans receivable, net	154,377	78,242
Prepaid expenses and other assets	8,372	(5,158)
Accounts payable and accrued expenses	12,211	12,362
Deferred revenue	2,145	(560)
Net cash provided by/(used for) operating activities	<u>286,779</u>	<u>(56,443)</u>
Cash flows from investing activities:		
Purchase of property and equipment	0	(4,333)
Proceeds from sales of investments	1,731,226	1,387,873
Purchase of investments	(1,651,473)	(1,330,408)
Net cash provided by investing activities	<u>79,753</u>	<u>53,132</u>
Net increase/(decrease) in cash and cash equivalents	366,532	(3,311)
Cash and cash equivalents - beginning of year	<u>537,547</u>	<u>540,858</u>
Cash and cash equivalents - end of year	<u><u>\$904,079</u></u>	<u><u>\$537,547</u></u>
Supplemental data:		
Interest paid	<u>\$0</u>	<u>\$0</u>
Taxes paid	<u>\$0</u>	<u>\$0</u>

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

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 is 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* – represent those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represent those resources, the use of which has been restricted by donors to specific purposes or the passage of time.
- *Permanently restricted* – accounts for 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.

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, 2015, 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, 2013 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 May 31, 2017, 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, 2019 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, 2021 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>12/31/16</u>	<u>12/31/15</u>
Money markets	\$63,056	\$30,917
Equity securities – health care	1,067	2,554
Exchange traded funds:		
Equity	1,518,272	1,119,938
Fixed income	499,747	500,890
Other	130,549	69,818
Mutual funds – bonds	434,860	380,000
Mutual funds – equities:		
U.S. large index	286,740	456,644
U.S. small cap	107,693	376,159
U.S. long/short funds	122,568	218,034
International	302,378	211,763
Emerging markets	91,516	101,863
Other	<u>309,122</u>	<u>297,456</u>
Total	<u>\$3,867,568</u>	<u>\$3,766,036</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>12/31/16</u>	<u>12/31/15</u>
Unrealized gain/(loss) on investments	\$119,542	(\$132,495)
Realized gain/(loss) on sale of investments	<u>50,479</u>	<u>(94,539)</u>
Investment gain/(loss)	170,021	(227,034)
Investment fees	<u>(10,103)</u>	<u>(9,056)</u>
Net investment gain/(loss)	<u>\$159,918</u>	<u>(\$236,090)</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 & Pluygers Fund and the Samuel Freeman Program.

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

	<u>12/31/16</u>	<u>12/31/15</u>
Year ending: December 31, 2016	\$0	\$456,135
December 31, 2017	370,427	142,000
December 31, 2018	132,500	132,500
December 31, 2019	<u>95,000</u>	<u>0</u>
	597,927	730,635
Allowance for doubtful accounts	<u>(102,493)</u>	<u>(80,824)</u>
Student loan receivable – net of allowance	<u>\$495,434</u>	<u>\$649,811</u>

Note 5 - Property and Equipment

Property and equipment consist of the following:

	<u>12/31/16</u>	<u>12/31/15</u>
Office equipment	\$7,701	\$7,701
Accumulated depreciation	<u>(5,447)</u>	<u>(3,646)</u>
Total	<u>\$2,254</u>	<u>\$4,055</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>12/31/16</u>	<u>12/31/15</u>
Temporarily Restricted:		
Funds held – beginning of year	\$1,459,645	\$1,671,173
Investment income	31,257	40,549
Net realized and unrealized gains on investments	48,905	(113,866)
Appropriation for expenditure	<u>(124,317)</u>	<u>(138,211)</u>
Funds held – end of year	<u>\$1,415,490</u>	<u>\$1,459,645</u>

Note 8 - Temporarily Restricted Net Assets

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

	<u>12/31/16</u>	<u>12/31/15</u>
Reuvers Educational Fund	\$1,415,490	\$1,459,645
Planten & Pluygers Fund	15,243	84,579
Fellowships	456,002	469,502
Awards and others	<u>11,855</u>	<u>4,307</u>
	<u>\$1,898,590</u>	<u>\$2,018,033</u>

Net assets were released from restriction for the following programs:

	<u>12/31/16</u>	<u>12/31/15</u>
Reuvers Educational Fund	\$124,317	\$138,211
Planten & Pluygers Fund	69,336	9,339
Fellowships	139,500	81,234
Awards and others	<u>452</u>	<u>462</u>
	<u>\$333,605</u>	<u>\$229,246</u>

Note 9 - Special Events Income

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

	<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>

	<u>December 31, 2015</u>			
	Peter Stuyvesant <u>Ball</u>	NAF Gala Awards <u>Dinner</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$547,019	\$155,090	\$48,151	\$750,260
Less: expenses where donor receives a direct benefit	<u>(146,350)</u>	<u>(39,538)</u>	<u>(29,844)</u>	<u>(215,732)</u>
	400,669	115,552	18,307	534,528
Less: other event expenses	<u>(99,892)</u>	<u>(33,171)</u>	<u>(20,887)</u>	<u>(153,950)</u>
Net fundraising event	<u>\$300,777</u>	<u>\$82,381</u>	<u>(\$2,580)</u>	<u>\$380,578</u>

Note 10 - Operating Lease Commitment

The Foundation leased office space under an agreement that expired in May 2015. Rent payments after May 2015 were on a month-to-month basis through August 2015. Beginning September 1, 2015, the Foundation entered into a new lease through October 31, 2022. Future minimum payments due on this are as follows:

Year ending:	December 31, 2017	\$46,189
	December 31, 2018	47,575
	December 31, 2019	49,002
	December 31, 2020	50,472
	December 31, 2021	51,986
Thereafter		<u>44,180</u>
Total		<u>\$289,404</u>

Total rent expense was \$48,443 and \$31,357 for 2016 and 2015, 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, 2016 and 2015, 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, 2016

	Reuvers Educational Fund	Planten & Pluygers Fund	Fellowships	Awards & Other	Total
Support and revenue:					
Contributions, grants and other gifts				\$8,000	\$8,000
Special events income			\$126,000		126,000
Interest and dividends	\$31,257				31,257
 Total support and revenue	 31,257	 0	 126,000	 8,000	 165,257
Satisfaction of program restrictions:					
Student fellowships	87,500		115,728		203,228
Friend Fund grants					0
Fellowship travel and other expenses					0
Bad debt expense		69,336			69,336
Fees and other expenses	36,817		23,772	452	61,041
 Total program restrictions	 124,317	 69,336	 139,500	 452	 333,605
 Change in temporarily restricted net assets from operations	 (93,060)	 (69,336)	 (13,500)	 7,548	 (168,348)
Non-operating revenue:					
Net realized and unrealized (loss)/ gain on investments	48,905				48,905
 Change in net assets	 (44,155)	 (69,336)	 (13,500)	 7,548	 (119,443)
Net assets - beginning of year	1,459,645	84,579	469,502	4,307	2,018,033
Net assets - end of year	<u>\$1,415,490</u>	<u>\$15,243</u>	<u>\$456,002</u>	<u>\$11,855</u>	<u>\$1,898,590</u>

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