

**NPH USA, INC. AND AFFILIATE**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
NPH USA, Inc. and Affiliate  
Chicago, Illinois

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

We have audited the accompanying consolidated financial statements of NPH USA, Inc. and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of NPH USA, Inc. and Affiliate as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Consolidating Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations, and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
April 28, 2018

**NPH USA, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 6,179,002	\$ 5,816,544
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$8,555 in 2017 and \$18,595 in 2016	689,071	1,059,184
Prepaid Expenses	159,164	42,506
Investments	14,088,322	13,168,550
Beneficial Interest in Perpetual Trusts	2,789,126	2,566,656
Beneficial Interest in Land Trust	150,000	150,000
Fixed Assets, Net	265,798	145,941
Other Assets	32,948	32,948
	\$ 24,353,431	\$ 22,982,329
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 671,692	\$ 1,122,896
Accrued Expenses and Other Liabilities	509,939	288,140
Total Liabilities	1,181,631	1,411,036
<b>NET ASSETS</b>		
Unrestricted Net Assets	4,349,983	3,593,723
Temporarily Restricted Net Assets	4,846,611	4,534,562
Permanently Restricted Net Assets	13,975,206	13,443,008
Total Net Assets	23,171,800	21,571,293
Total Liabilities and Net Assets	\$ 24,353,431	\$ 22,982,329

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>UNRESTRICTED NET ASSETS</b>		
Support:		
Contributions	\$ 12,998,037	\$ 12,061,171
Bequests	913,486	1,959,149
Donated Materials	1,654,076	2,888,379
Special Events	2,321,068	2,048,075
Revenue:		
Interest and Dividends	9,332	569
Unrealized Gain	27,721	24,556
Realized Gain (Loss)	853	(550)
Distributions from Beneficial Interest in Trusts	84,763	81,276
Miscellaneous	51,604	5,000
Net Assets Released from Restrictions	1,693,410	1,248,424
Total Unrestricted Support and Revenue	19,754,350	20,316,049
Expenses:		
Program Services	15,044,909	16,844,073
Management and General	1,314,605	1,468,785
Fundraising	2,638,576	2,382,735
Total Expenses	18,998,090	20,695,593
Increase (Decrease) in Unrestricted Net Assets	756,260	(379,544)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Revenue:		
Contributions	165,910	1,543,440
Interest and Dividends	202,088	204,154
Unrealized Gain (Loss)	945,331	247,039
Realized Gain	692,130	841,549
Change in Value of Land Trust	-	112,500
Net Assets Released from Restrictions	(1,693,410)	(1,248,424)
Increase in Temporarily Restricted Net Assets	312,049	1,700,258
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
Support:		
Contributions	309,728	216,926
Revenue:		
Change in Value of Perpetual Trusts	222,470	70,187
Increase in Permanently Restricted Net Assets	532,198	287,113
<b>CHANGE IN NET ASSETS</b>	1,600,507	1,607,827
Net Assets - Beginning of Year	21,571,293	19,963,466
<b>NET ASSETS - END OF YEAR</b>	\$ 23,171,800	\$ 21,571,293

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2017**

	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 927,859	\$ 559,090	\$ 1,198,065	\$ 1,757,155	\$ 2,685,014
Payroll Taxes	73,989	44,582	95,534	140,116	214,105
Employee Benefits	71,413	48,272	92,208	140,480	211,893
Total	1,073,261	651,944	1,385,807	2,037,751	3,111,012
Support to Orphanages - NPHI:					
Operations - Direct Support	7,703,066	-	-	-	7,703,066
Operations - Designated and Sharing	3,863,595	-	-	-	3,863,595
Donated Materials and Supplies	1,654,076	-	-	-	1,654,076
Total	13,220,737	-	-	-	13,220,737
Bank and Credit Card Fees	-	5,900	146,301	152,201	152,201
Consulting and Outside Services	-	2,200	7,160	9,360	9,360
Cultivation	-	-	28,196	28,196	28,196
Bad Debt Expense	-	4,221	-	4,221	4,221
Depreciation and Amortization	-	53,801	-	53,801	53,801
Dues and Subscriptions	-	3,706	-	3,706	3,706
Employee Search and Relocation	-	37,279	-	37,279	37,279
Event Supplies	-	-	521,208	521,208	521,208
Hospitality and Meals	-	82,235	-	82,235	82,235
Insurance	-	41,038	-	41,038	41,038
Investment Fees	-	1,165	-	1,165	1,165
Licenses and Fees	-	73,802	-	73,802	73,802
Occupancy	83,667	88,619	134,000	222,619	306,286
Office Equipment	-	30,941	-	30,941	30,941
Office Supplies	-	29,228	29,229	58,457	58,457
Outside Services	27,204	78,565	43,200	121,765	148,969
Postage and Shipping	18,504	18,504	37,008	55,512	74,016
Professional Fees	10,615	26,813	-	26,813	37,428
Program Education and Marketing	-	-	97,539	97,539	97,539
Promotion	-	-	11,885	11,885	11,885
Repair and Maintenance	-	10,558	-	10,558	10,558
Telecommunications	-	33,596	33,597	67,193	67,193
Training and Seminars	-	11,431	-	11,431	11,431
Travel	385,406	29,059	163,446	192,505	577,911
Travel Program	174,265	-	-	-	174,265
Miscellaneous	51,250	-	-	-	51,250
Total	750,911	662,661	1,252,769	1,915,430	2,666,341
Total Functional Expenses	<u>\$ 15,044,909</u>	<u>\$ 1,314,605</u>	<u>\$ 2,638,576</u>	<u>\$ 3,953,181</u>	<u>\$ 18,998,090</u>

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2016**

	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 649,433	\$ 652,098	\$ 1,014,566	\$ 1,666,664	\$ 2,316,097
Payroll Taxes	49,890	50,093	77,937	128,030	177,920
Employee Benefits	58,466	63,623	91,339	154,962	213,428
Total	<u>757,789</u>	<u>765,814</u>	<u>1,183,842</u>	<u>1,949,656</u>	<u>2,707,445</u>
Support to Orphanages - NPHI:					
Operations - Direct Support	8,695,370	-	-	-	8,695,370
Operations - Designated and Sharing	4,203,659	-	-	-	4,203,659
Donated Materials and Supplies	2,888,379	-	-	-	2,888,379
Total	<u>15,787,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,787,408</u>
Bank and Credit Card Fees	-	4,854	123,652	128,506	128,506
Consulting and Outside Services	-	450	138,846	139,296	139,296
Cultivation	-	-	19,692	19,692	19,692
Bad Debt Expense	-	20,027	-	20,027	20,027
Depreciation and Amortization	-	40,145	-	40,145	40,145
Dues and Subscriptions	-	3,416	-	3,416	3,416
Employee Search and Relocation	-	48,201	-	48,201	48,201
Event Supplies	-	-	462,219	462,219	462,219
Hospitality and Meals	-	44,924	-	44,924	44,924
Insurance	-	30,335	-	30,335	30,335
Investment Fees	-	692	-	692	692
Licenses and Fees	-	66,158	-	66,158	66,158
Occupancy	60,252	88,086	128,325	216,411	276,663
Office Equipment	-	30,983	-	30,983	30,983
Office Supplies	-	42,913	32,473	75,386	75,386
Outside Services	27,203	58,183	44,810	102,993	130,196
Postage and Shipping	19,066	19,066	38,133	57,199	76,265
Professional Fees	-	34,977	-	34,977	34,977
Program Education and Marketing	-	-	117,785	117,785	117,785
Promotion	-	-	4,306	4,306	4,306
Repair and Maintenance	-	4,296	-	4,296	4,296
Telecommunications	-	29,927	29,927	59,854	59,854
Training and Seminars	-	41,844	-	41,844	41,844
Travel	192,355	20,939	58,725	79,664	272,019
Miscellaneous	-	72,555	-	72,555	72,555
Total	<u>298,876</u>	<u>702,971</u>	<u>1,198,893</u>	<u>1,901,864</u>	<u>2,200,740</u>
Total Functional Expenses	<u>\$ 16,844,073</u>	<u>\$ 1,468,785</u>	<u>\$ 2,382,735</u>	<u>\$ 3,851,520</u>	<u>\$ 20,695,593</u>

See accompanying Notes to Consolidated Financial Statements.



**NPH USA, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,600,507	\$ 1,607,827
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Provision for Bad Debts	4,221	20,027
Depreciation and Amortization	53,801	40,145
Realized Gain on Investments	(692,983)	(840,999)
Unrealized Gain on Investments	(973,052)	(271,595)
Change in Value of Land Trust	-	(112,500)
Change in Value of Perpetual Trusts	(222,470)	(70,187)
Permanently Restricted Contributions	(309,728)	(216,926)
(Increase) Decrease in:		
Pledges Receivable	365,892	(1,000,626)
Prepaid Expenses and Other Assets	(116,658)	(5,556)
Increase (Decrease) in:		
Accounts Payable	(451,204)	879,884
Accrued Expenses and Other Liabilities	221,799	(38,016)
Net Cash Used by Operating Activities	(519,875)	(8,522)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Software	(173,658)	(31,480)
Proceeds from Sales and Maturities of Investments	2,156,414	2,781,380
Purchase of Investments	(1,410,151)	(2,520,787)
Net Cash Provided by Investing Activities	572,605	229,113
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions Received for Endowment	309,728	216,926
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	362,458	437,517
Cash and Cash Equivalents - Beginning of Year	5,816,544	5,379,027
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 6,179,002	\$ 5,816,544

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

NPH USA, Inc. was organized as an Illinois nonprofit corporation on June 29, 2004. NPH USA, Inc. is organized and operated exclusively for charitable and educational purposes. NPH USA, Inc. is dedicated to improving the lives of orphaned, abandoned, and disadvantaged children through its support of the Nuestros Pequeños Hermanos International, A.C. (NPHI) network of orphanages in Latin America and the Caribbean.

Father Wasson Legacy Endowment, Inc. (FWLEI) is a nonprofit endowment described in Section 501(c)(3) of the Internal Revenue Code (IRC). FWLEI is organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of NPH USA, Inc., its sole member.

Significant accounting policies followed by NPH USA, Inc. and FWLEI are presented below.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of NPH USA, Inc. and FWLEI, collectively known as the Organization. Interorganization transactions and balances have been eliminated in consolidation.

**Basis of Presentation**

Contributions received are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Donor-restricted contributions are reported as unrestricted support where the restrictions have been satisfied in the same year in which the revenue is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as Net Assets Released from Restrictions. Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Those resources over which the board of directors (board) has discretionary control. It is the policy of the board to review its plans for future support of orphaned, abandoned, and disadvantaged children, and other related special purposes and designate sums of unrestricted net assets to specific locations and special purposes.

Temporarily Restricted Net Assets – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or the passage of time.

Permanently Restricted Net Assets – Those resources subject to a donor-imposed restriction that they be maintained permanently by the Organization. The donors of these resources permit the Organization to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or temporarily restricted purposes.

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Estimates**

The preparation of consolidated financial statements in conformity 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. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents are comprised of demand deposits and money market accounts. The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash deposits. The Organization maintains bank accounts at several local banks that are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, cash balances may exceed federally insured limits; however, the Organization has not experienced any losses in such accounts and limits the exposure to credit risk by maintaining its cash and cash equivalents in highly reputable institutions.

**Pledges Receivable**

Contributions are recognized when the donor makes a pledge to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made.

**Investments**

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the consolidated statements of activities.

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Beneficial Interests in Trusts**

Beneficial interests in trusts consist of assets held in perpetual trusts and a beneficial interest in a land trust.

**Beneficial Interests in Perpetual Trust**

The Organization is the beneficiary of two perpetual trusts held by a third party. Under the terms of the trusts, the Organization has the irrevocable right to receive the income generated by the trust in perpetuity. The beneficial interest in the perpetual trusts is recorded at fair value as based on the fair value of the trust assets. Changes in net assets of the trusts are recorded as gain or losses (change in value of trusts) on the consolidated statements of activities. Net assets and changes in the net assets are recorded as permanently restricted. Distributions received from these trusts are recorded as temporarily restricted or unrestricted income, in accordance with the respective trust agreements.

**Beneficial Interest in Land Trust**

The Organization is the beneficiary of a land trust held by a third party. Under the terms of the trust, the Organization has the irrevocable right to receive 25% of the income generated by the trust. The beneficial interest in the land trust is recorded at fair value as based on the fair value of the trust property. Changes in net assets of the trust are recorded as gains or losses (change in value of trusts) on the consolidated statements of activities. Net assets and changes in the net assets are recorded as temporarily restricted. Distributions received from this trust are recorded as unrestricted income.

**Fixed Assets**

Furniture, equipment, and vehicles are stated at cost or estimated value if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, generally five years. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of the assets are capitalized.

**Donated Services and Materials**

Donated services are recognized for those that improve or enhance property and equipment (as contributions and increases to the basis of property and equipment) or for those that require specialized skills (as contributions and expenses), are performed by people with those skills, and would otherwise be purchased by the Organization.

Donations of materials and noncash assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are recorded as increases in unrestricted net assets unless the donor has restricted the donated materials to a specific purpose. Donated materials are expensed as program supplies. Donated noncash assets are recorded in accordance with the Organization's capitalization policy and depreciated if required.

Although highly valued by the Organization, contributions of time and services provided by many volunteers do not meet the criteria for recognition and, therefore, are not recognized in the consolidated financial statements.

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expenses**

Operating expenses directly identified with a functional area are charged to such area and, where such expenses affect more than one area, they are allocated to the respective areas on the basis of ratios, as estimated by management.

**Fair Value Measurements**

The Organization follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Organization has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as the U.S. Treasury, and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Level 1 includes various mutual funds, collective funds, and U.S. Treasury futures.

*Level 2* – Financial assets and liabilities are valued using inputs quoted prices for similar assets or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, gold futures, and corporate debt securities.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, and real estate, as well as beneficial interests in trusts.

**Income Tax Status**

The Organization is a nonprofit organization exempt from paying corporate federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). It has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible.

The Organization has evaluated its tax positions and determined it has no uncertain tax positions at December 31, 2017 and 2016.

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition for disclosure through April 28, 2018, the date the consolidated financial statements were available to be issued.

**NOTE 2 PLEDGES RECEIVABLE**

Pledges receivable as of December 31, 2017 and 2016 consist of time-restricted contributions from various donors to support ongoing operations and the NPHI network of orphanages in Latin America. Pledges receivable consist of the following at December 31:

	2017	2016
Pledges Receivable Due:		
In Less than One Year	\$ 639,652	\$ 7,818
In One to Five Years	57,974	1,069,961
Total	697,626	1,077,779
Less: Allowance for Uncollectible Pledges	(8,555)	(18,595)
Total Pledges Receivable	\$ 689,071	\$ 1,059,184

Pledges expected to be received more than one year from the statements of financial position date are discounted to present value. At December 31, 2017 and 2016, any related present value discount was considered insignificant.

**NOTE 3 INVESTMENTS**

Investments consist of the following at December 31:

	2017	2016
Common Stocks	\$ 10,730,637	\$ 9,440,895
Fixed Income Government Agencies	1,271,854	1,371,329
Exchange Traded Funds:		
Fixed Income	866,147	1,206,798
Mutual Funds	1,219,684	1,149,528
Total Investments	\$ 14,088,322	\$ 13,168,550

Investment management fees incurred during the years ended December 31, 2017 and 2016 totaled \$100,026 and \$93,057, respectively.

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 4 FIXED ASSETS**

Fixed assets consist of the following at December 31:

	2017	2016
Furniture and Equipment	\$ 518,409	\$ 344,751
Less: Accumulated Depreciation and Amortization	(252,611)	(198,810)
Total Fixed Assets	<u>\$ 265,798</u>	<u>\$ 145,941</u>

Depreciation and amortization expense charged to operations for the years ended December 31, 2017 and 2016 totaled \$53,801 and \$40,145, respectively.

**NOTE 5 RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at December 31:

	2017	2016
Beneficial Interest in Land Trust	\$ 150,000	\$ 150,000
Time-Restricted Pledges Receivable	689,071	1,059,184
Unappropriated Earnings from Endowment	4,007,540	3,325,378
Total Temporarily Restricted Net Assets	<u>\$ 4,846,611</u>	<u>\$ 4,534,562</u>

Permanently restricted net assets consist of the following at December 31:

	2017	2016
General Fund	\$ 11,076,309	\$ 10,767,691
Medical Fund	44,535	44,535
Education Fund	44,535	44,535
Hightower/Kloos Legacy Fund	20,701	19,591
Total Endowment Funds	11,186,080	10,876,352
Beneficial Interest in Perpetual Trusts	2,789,126	2,566,656
Total Permanently Restricted Net Assets	<u>\$ 13,975,206</u>	<u>\$ 13,443,008</u>

Endowment contributions are to be invested and held indefinitely, with the income from the endowment expendable to support the NPHI orphanages and pay endowment expenses. At the time of their gifts, donors are given the opportunity to designate that the endowment may expend the principal in the event of a major, natural disaster. As of December 31, 2017 and 2016, donors have designated \$6,552,601 and \$6,372,601, respectively, to be used in the event of a natural disaster, as further defined in the endowment's policies.

**NOTE 6 DONATED MATERIALS**

During the years ended December 31, 2017 and 2016, the Organization received donated materials of \$1,654,076 and \$2,888,379, respectively.

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 7 FAIR VALUE MEASUREMENTS**

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization values all other assets and liabilities, refer to Note 1 – Summary of Significant Accounting Policies, Organization.

Assets measured at fair value on a recurring basis are as follows:

<u>December 31, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 10,730,637	\$ -	\$ -	\$ 10,730,637
Fixed Income Government Agencies	1,271,854	-	-	1,271,854
Exchange Traded Funds:				
Fixed-Income	804,322	61,825	-	866,147
Mutual Funds	1,219,684	-	-	1,219,684
Beneficial Interest in Perpetual Trusts	-	-	2,789,126	2,789,126
Beneficial Interest in Land Trust	-	-	150,000	150,000
Total Assets at Fair Value	<u>\$ 14,026,497</u>	<u>\$ 61,825</u>	<u>\$ 2,939,126</u>	<u>\$ 17,027,448</u>
<u>December 31, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 9,440,895	\$ -	\$ -	\$ 9,440,895
Fixed Income Government Agencies	1,371,329	-	-	1,371,329
Exchange Traded Funds:				
Fixed-Income	1,151,993	54,805	-	1,206,798
Mutual Funds	1,149,528	-	-	1,149,528
Beneficial Interest in Perpetual Trusts	-	-	2,566,656	2,566,656
Beneficial Interest in Land Trust	-	-	150,000	150,000
Total Assets at Fair Value	<u>\$ 13,113,745</u>	<u>\$ 54,805</u>	<u>\$ 2,716,656</u>	<u>\$ 15,885,206</u>

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Balance - January 1	\$ 2,716,656	\$ 2,533,969
Change in Value of Perpetual and Land Trusts	<u>222,470</u>	<u>182,687</u>
Balance - December 31	<u>\$ 2,939,126</u>	<u>\$ 2,716,656</u>

The valuation of the Level 3 beneficial interest in perpetual trusts is based on the fair market value of assets as indicated on the annual statement received from the trustee. The valuation of the Level 3 beneficial interest in land trust is based on 25% of the value of the trust property, determined through an independent appraisal during 2016.



**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 8 ENDOWMENT**

The FWLEI endowment fund consists of four individual funds and reflects the donor-imposed restriction that the original gifts are maintained and income be used to support operations and for annual distributions to NPH USA, Inc. for the exclusive benefit of NPHI. Consistent with donor wishes, funds may be distributed to one or more NPHI family homes in the event of extensive destruction of property or life as a result of a major, natural, devastating disaster. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

FWLEI has interpreted the state of Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the endowment classifies as permanently restricted net assets as: (a) the original value of gifts donated to the permanent endowment, plus (b) the original value of the subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the endowment in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the endowment considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund.
- The purposes of the endowment and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the endowment.
- The investment policies of the endowment.

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 8 ENDOWMENT (CONTINUED)**

Endowment net assets consisted of the following at December 31:

<u>December 31, 2017</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 4,007,540</u>	<u>\$ 11,186,080</u>	<u>\$ 15,193,620</u>
<u>December 31, 2016</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 3,325,378</u>	<u>\$ 10,876,352</u>	<u>\$ 14,201,730</u>

Changes in the endowment fund net assets included the following:

<u>December 31, 2017</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ -	\$ 3,325,378	\$ 10,876,352	\$ 14,201,730
Investment Return:				
Investment Income	-	202,088	-	202,088
Net Appreciation (Realized and Unrealized)	-	1,637,461	-	1,637,461
Total Investment Return	-	1,839,549	-	1,839,549
Contributions	-	-	309,728	309,728
Appropriation of Endowment Assets for Expenditures	1,157,387	(1,157,387)	-	-
Withdrawals for Current Distributions	(1,129,000)	-	-	(1,129,000)
Operating Expenses	(28,387)	-	-	(28,387)
Total Release	(1,157,387)	-	-	(1,157,387)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 4,007,540</u>	<u>\$ 11,186,080</u>	<u>\$ 15,193,620</u>

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 8 ENDOWMENT (CONTINUED)**

<u>December 31, 2016</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets -				
Beginning of Year	\$ -	\$ 2,718,219	\$ 10,659,426	\$ 13,377,645
Investment Return:				
Investment Income	-	204,154	-	204,154
Net Appreciation (Realized and Unrealized)	-	1,088,588	-	1,088,588
Total Investment Return	-	1,292,742	-	1,292,742
Contributions	-	-	216,926	216,926
Appropriation of Endowment Assets for Expenditures	685,583	(685,583)	-	-
Withdrawals for Current Distributions	(659,000)	-	-	(659,000)
Operating Expenses	(26,583)	-	-	(26,583)
Total Release	(685,583)	-	-	(685,583)
Endowment Net Assets -				
End of Year	<u>\$ -</u>	<u>\$ 3,325,378</u>	<u>\$ 10,876,352</u>	<u>\$ 14,201,730</u>

**Return Objectives and Risk Parameters**

The endowment has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment fund while seeking to maintain the purchasing power of the endowment fund assets. Endowment fund assets include those assets of donor-restricted funds that the endowment must hold in perpetuity. Under this policy, the endowment fund assets are diversified in order to control volatility of returns and invested to obtain future growth to offset inflation while assuming a moderate level of investment risk.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The endowment has adopted a spending policy of making one annual distribution of up to 5% of the total of assets, excluding current year contributions, from the endowment fund as of December 31. Notwithstanding the foregoing, no distribution shall reduce the value of the endowment fund below the original capital contributions increased by the value of all additional capital contributions received during that year (subject to any donor limitations or restrictions). Capital contributions are defined as the original value of the donation (on the date of the donation) and do not include earnings, dividends, unrealized gains or losses, or other changes based on the investment of the endowment fund.

**Funds with Deficiencies**

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires. At December 31, 2017 and 2016, there were no deficient endowment funds.

**NPH USA, INC. AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 9 LEASE COMMITMENTS**

The Organization has entered into various operating lease agreements for office space and equipment throughout the United States of America. Under certain agreements, the Organization is also liable for a proportionate share of common operating costs.

Future minimum cash payments under these lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 225,116
2019	61,512
2020	53,274
2021	22,390
Total	<u>\$ 362,292</u>

Total charges to operations for rental expense during the years ended December 31, 2017 and 2016 amounted to \$298,067 and \$269,396, respectively.

**NOTE 10 POSTRETIREMENT BENEFIT CONTRACT**

The Organization has a retirement benefit contract for one former executive. The contract provides payments for health and dental benefits for a period that ends on June 30, 2018 or the death of the participant. The payment amounts are based on the actual premium amounts subject to periodic maximums and a specified supplemental cash payment. These amounts are insignificant and not accrued. The amount paid by the Organization for the years ended December 31, 2017 and 2016 totaled \$5,242 and \$4,916, respectively.

**NOTE 11 RETIREMENT PLAN**

The Organization has a 403(b) retirement plan for all employees to participate in beginning on the date of hire. Employees who have been employed for at least one year and worked at least 1,000 hours, and have attained the age of 21, may participate in employer matching contributions. The plan allows eligible employees to defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. The Organization will match 100% of up to 10% of the employee's compensation, not to exceed \$5,000 annually. Contributions to the plan charged against operations, including plan administration fees, amounted to \$40,371 and \$44,762 for the years ended December 31, 2017 and 2016, respectively.

**NOTE 12 RELATED PARTY TRANSACTIONS**

Contribution revenues from members of the board of the Organization totaled \$2,636,811 and \$2,126,804 for the years ended December 31, 2017 and 2016, respectively.

Contribution revenues from members of the board of the FWLEI totaled \$277,801 and \$117,653 for the years ended December 31, 2017 and 2016, respectively.

**NPH USA, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 13 CONDITIONAL PLEDGES**

FWLEI has received pledges from individuals indicating an intention to name the endowment as the beneficiary in wills, trusts, and life insurance contracts. These pledges are all revocable. Since these pledges do not meet the criteria for revenue recognition, they are not reflected as contributions in the consolidated statements of activities.

**NOTE 14 COMMITMENT**

During 2017, the Organization's board approved a commitment to provide funding to NPHI in the amount of \$8,200,000 for the year 2018. This commitment is conditional based upon adequate funding being available through the Organization's fundraising efforts.

**NPH USA, INC. AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**DECEMBER 31, 2017**

<b>ASSETS</b>	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 5,073,460	\$ 1,105,542	\$ -	\$ 6,179,002
Due from NPH USA	-	5,400	(5,400)	-
Pledges Receivable, Net of Allowance for Uncollectible				
Pledges of \$8,555	689,071	-	-	689,071
Prepaid Expenses	159,164	-	-	159,164
Investments	5,644	14,082,678	-	14,088,322
Beneficial Interest in Perpetual Trusts	2,789,126	-	-	2,789,126
Beneficial Interest in Land Trust	150,000	-	-	150,000
Fixed Assets, Net	265,798	-	-	265,798
Other Assets	32,948	-	-	32,948
	<u>\$ 9,165,211</u>	<u>\$ 15,193,620</u>	<u>\$ (5,400)</u>	<u>\$ 24,353,431</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 671,692	\$ -	\$ -	\$ 671,692
Accrued Expenses and Other Liabilities	509,939	-	-	509,939
Due to FWLEI	5,400	-	(5,400)	-
Total Liabilities	<u>1,187,031</u>	<u>-</u>	<u>(5,400)</u>	<u>1,181,631</u>
<b>NET ASSETS</b>				
Unrestricted Net Assets:				
Undesignated for General Activities	3,947,228	-	-	3,947,228
Designated by Board of Directors	136,957	-	-	136,957
Invested in Furniture and Equipment	265,798	-	-	265,798
Total Unrestricted Net Assets	<u>4,349,983</u>	<u>-</u>	<u>-</u>	<u>4,349,983</u>
Temporarily Restricted Net Assets	839,071	4,007,540	-	4,846,611
Permanently Restricted Net Assets	2,789,126	11,186,080	-	13,975,206
Total Net Assets	<u>7,978,180</u>	<u>15,193,620</u>	<u>-</u>	<u>23,171,800</u>
	<u>\$ 9,165,211</u>	<u>\$ 15,193,620</u>	<u>\$ (5,400)</u>	<u>\$ 24,353,431</u>
Total Liabilities and Net Assets	<u>\$ 9,165,211</u>	<u>\$ 15,193,620</u>	<u>\$ (5,400)</u>	<u>\$ 24,353,431</u>

**NPH USA, INC. AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**DECEMBER 31, 2016**

<b>ASSETS</b>	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 4,666,153	\$ 1,150,391	\$ -	\$ 5,816,544
Due from NPH USA	-	16,000	(16,000)	-
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$18,595	1,059,184	-	-	1,059,184
Prepaid Expenses	42,506	-	-	42,506
Investments	133,211	13,035,339	-	13,168,550
Beneficial Interest in Perpetual Trusts	2,566,656	-	-	2,566,656
Beneficial Interest in Land Trust	150,000	-	-	150,000
Fixed Assets, Net	145,941	-	-	145,941
Other Assets	32,948	-	-	32,948
	<u>\$ 8,796,599</u>	<u>\$ 14,201,730</u>	<u>\$ (16,000)</u>	<u>\$ 22,982,329</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,122,896	\$ -	\$ -	\$ 1,122,896
Accrued Expenses and Other Liabilities	288,140	-	-	288,140
Due to FWLEI	16,000	-	(16,000)	-
Total Liabilities	<u>1,427,036</u>	<u>-</u>	<u>(16,000)</u>	<u>1,411,036</u>
<b>NET ASSETS</b>				
Unrestricted Net Assets:				
Undesignated for General Activities	3,310,824	-	-	3,310,824
Designated by Board of Directors	136,957	-	-	136,957
Invested in Furniture and Equipment	145,942	-	-	145,942
Total Unrestricted Net Assets	<u>3,593,723</u>	<u>-</u>	<u>-</u>	<u>3,593,723</u>
Temporarily Restricted Net Assets	1,209,184	3,325,378	-	4,534,562
Permanently Restricted Net Assets	2,566,656	10,876,352	-	13,443,008
Total Net Assets	<u>7,369,563</u>	<u>14,201,730</u>	<u>-</u>	<u>21,571,293</u>
Total Liabilities and Net Assets	<u>\$ 8,796,599</u>	<u>\$ 14,201,730</u>	<u>\$ (16,000)</u>	<u>\$ 22,982,329</u>

**NPH USA, INC. AND AFFILIATE  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017**

	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Total</u>
<b>UNRESTRICTED NET ASSETS</b>				
Support:				
Contributions	\$ 14,127,037	\$ -	\$ (1,129,000)	\$ 12,998,037
Bequests	913,486	-	-	913,486
Donated Materials	1,654,076	-	-	1,654,076
Special Events	2,321,068	-	-	2,321,068
Revenue:				
Interest and Dividends	9,332	-	-	9,332
Unrealized Gain	27,721	-	-	27,721
Realized Gain	853	-	-	853
Distributions from Beneficial Interest in Trusts	84,763	-	-	84,763
Miscellaneous	61,604	-	(10,000)	51,604
Net Assets Released from Restrictions	<u>536,023</u>	<u>1,157,387</u>	<u>-</u>	<u>1,693,410</u>
Total Unrestricted Support and Revenue	19,735,963	1,157,387	(1,139,000)	19,754,350
Expenses:				
Program Services	15,044,909	1,129,000	(1,129,000)	15,044,909
Management and General	1,296,218	28,387	(10,000)	1,314,605
Fundraising	<u>2,638,576</u>	<u>-</u>	<u>-</u>	<u>2,638,576</u>
Total Expenses	<u>18,979,703</u>	<u>1,157,387</u>	<u>(1,139,000)</u>	<u>18,998,090</u>
Increase in Unrestricted Net Assets	756,260	-	-	756,260
<b>TEMPORARILY RESTRICTED NET ASSETS</b>				
Revenue:				
Contributions	165,910	-	-	165,910
Interest and Dividends	-	202,088	-	202,088
Unrealized Gain	-	945,331	-	945,331
Realized Gain	-	692,130	-	692,130
Net Assets Released from Restrictions	<u>(536,023)</u>	<u>(1,157,387)</u>	<u>-</u>	<u>(1,693,410)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	(370,113)	682,162	-	312,049
<b>PERMANENTLY RESTRICTED NET ASSETS</b>				
Support:				-
Contributions	-	309,728	-	309,728
Revenue:				
Change in Value of Perpetual Trusts	<u>222,470</u>	<u>-</u>	<u>-</u>	<u>222,470</u>
Increase in Permanently Restricted Net Assets	<u>222,470</u>	<u>309,728</u>	<u>-</u>	<u>532,198</u>
<b>CHANGE IN NET ASSETS</b>	608,617	991,890	-	1,600,507
Net Assets - Beginning of Year	<u>7,369,563</u>	<u>14,201,730</u>	<u>-</u>	<u>21,571,293</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,978,180</u>	<u>\$ 15,193,620</u>	<u>\$ -</u>	<u>\$ 23,171,800</u>



**NPH USA, INC. AND AFFILIATE  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016**

	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Total</u>
<b>UNRESTRICTED NET ASSETS</b>				
Support:				
Contributions	\$ 12,720,171	\$ -	\$ (659,000)	\$ 12,061,171
Bequests	1,959,149	-	-	1,959,149
Donated Materials	2,888,379	-	-	2,888,379
Special Events	2,048,075	-	-	2,048,075
Revenue:				
Interest and Dividends	569	-	-	569
Unrealized Gain	24,556	-	-	24,556
Realized Loss	(550)	-	-	(550)
Distributions from Beneficial Interest in Trusts	81,276	-	-	81,276
Miscellaneous	15,000	-	(10,000)	5,000
Net Assets Released from Restrictions	<u>562,841</u>	<u>685,583</u>	<u>-</u>	<u>1,248,424</u>
Total Unrestricted Support and Revenue	<u>20,299,466</u>	<u>685,583</u>	<u>(669,000)</u>	<u>20,316,049</u>
Expenses:				
Program Services	16,844,073	659,000	(659,000)	16,844,073
Management and General	1,452,202	26,583	(10,000)	1,468,785
Fundraising	<u>2,382,735</u>	<u>-</u>	<u>-</u>	<u>2,382,735</u>
Total Expenses	<u>20,679,010</u>	<u>685,583</u>	<u>(669,000)</u>	<u>20,695,593</u>
Decrease in Unrestricted Net Assets	(379,544)	-	-	(379,544)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>				
Revenue:				
Contributions	1,543,440	-	-	1,543,440
Interest and Dividends	-	204,154	-	204,154
Unrealized Gain	-	247,039	-	247,039
Realized Gain	-	841,549	-	841,549
Change in Value of Land Trust	112,500	-	-	112,500
Net Assets Released from Restrictions	<u>(562,841)</u>	<u>(685,583)</u>	<u>-</u>	<u>(1,248,424)</u>
Increase in Temporarily Restricted Net Assets	1,093,099	607,159	-	1,700,258
<b>PERMANENTLY RESTRICTED NET ASSETS</b>				
Support:				
Contributions	-	216,926	-	216,926
Revenue:				
Change in Value of Perpetual Trusts	<u>70,187</u>	<u>-</u>	<u>-</u>	<u>70,187</u>
Increase in Permanently Restricted Net Assets	<u>70,187</u>	<u>216,926</u>	<u>-</u>	<u>287,113</u>
<b>CHANGE IN NET ASSETS</b>	783,742	824,085	-	1,607,827
Net Assets - Beginning of Year	<u>6,585,821</u>	<u>13,377,645</u>	<u>-</u>	<u>19,963,466</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,369,563</u>	<u>\$ 14,201,730</u>	<u>\$ -</u>	<u>\$ 21,571,293</u>



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