



**The Netherland-America Foundation, Inc.**

## Audited Financial Statements

December 31, 2019

## **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, 2019, 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 entity'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 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 financial statements.

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

### ***Opinion***

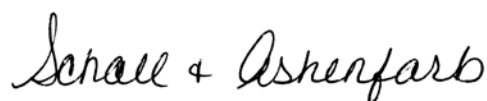
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Netherland-America Foundation, Incorporated as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited the Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 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 net assets with donor restrictions on page 16 is presented for the purpose 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.



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Schall & Ashenfarb  
Certified Public Accountants, LLC

April 29, 2020

**THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019**  
(With comparative totals as of December 31, 2018)

	<u>12/31/19</u>	<u>12/31/18</u>
<b>Assets</b>		
Cash and cash equivalents	\$1,850,057	\$3,043,584
Investments (Note 3)	4,815,040	4,101,642
Contributions receivable, net (Note 4)	913,094	886,845
Student loans receivable, net (Note 5)	436,203	449,779
Prepaid expenses and other assets	<u>34,326</u>	<u>32,713</u>
Total assets	<u><u>\$8,048,720</u></u>	<u><u>\$8,514,563</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$143,339	\$955,946
Deferred revenue	1,813	7,078
Custodial accounts (Note 6)	<u>19,000</u>	<u>19,000</u>
Total liabilities	<u><u>164,152</u></u>	<u><u>982,024</u></u>
Net assets:		
Without donor restrictions:		
Operations	763,423	652,640
Board designated:		
Friends fund	224,633	225,073
Funds held for long-term investment (including \$445,931 designated for student loans)	<u>3,436,607</u>	<u>2,847,784</u>
Total net assets without donor restrictions	<u><u>4,424,663</u></u>	<u><u>3,725,497</u></u>
With donor restrictions (Note 8)	<u><u>3,459,905</u></u>	<u><u>3,807,042</u></u>
Total net assets	<u><u>7,884,568</u></u>	<u><u>7,532,539</u></u>
Total liabilities and net assets	<u><u>\$8,048,720</u></u>	<u><u>\$8,514,563</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, 2019**  
(With comparative totals for the year ended December 31, 2018)

	Without Donor Restrictions					
	Operations	Board Designated Friends Fund	Funds Held for Long Term & Student Loans	Total Without Donor Restrictions	Total With Donor Restrictions	Total 12/31/19
						Total 12/31/18
Support and revenue:						
Contributions, grants and other gifts	\$242,662	\$739,803		\$982,465	\$344,818	\$6,053,877
Special events income (net of expenses with a direct benefit to donor) (Note 9)	687,714			687,714	208,000	596,080
Interest and dividends	65,726		\$74,338	140,064	48,564	135,404
Student loan interest	10,773			10,773		11,837
Bad debt recovery				0		26,658
Foreign exchange loss	(542)			(542)		(14,512)
	<u>1,006,333</u>	<u>739,803</u>	<u>74,338</u>	<u>1,820,474</u>	<u>601,382</u>	<u>6,809,344</u>
Net assets released from restrictions (Note 8)	<u>1,026,195</u>		<u>110,030</u>	<u>1,136,225</u>	<u>(1,136,225)</u>	<u>0</u>
Total support and revenue	<u>2,032,528</u>	<u>739,803</u>	<u>184,368</u>	<u>2,956,699</u>	<u>(534,843)</u>	<u>6,809,344</u>
Expenses:						
Program services:						
Educational program grants and expenses	71,154	540,744		611,898		4,451,390
Cultural and historical grants and expenses	1,073,624	199,499		1,273,123		1,049,377
Student fellowships and expenses	317,554			317,554		320,239
Internship program	74,748			74,748		48,899
Total program expense	<u>1,537,080</u>	<u>740,243</u>	<u>0</u>	<u>2,277,323</u>	<u>0</u>	<u>5,869,905</u>
Supporting services:						
Management and general	157,818			157,818		112,168
Fundraising	226,847			226,847		198,109
Total supporting services	<u>384,665</u>	<u>0</u>	<u>0</u>	<u>384,665</u>	<u>0</u>	<u>310,277</u>
Total expenses	<u>1,921,745</u>	<u>740,243</u>	<u>0</u>	<u>2,661,988</u>	<u>0</u>	<u>6,180,182</u>
Change in net assets from operations	110,783	(440)	184,368	294,711	(534,843)	629,162
Non-operating revenue:						
Investment income, net (Note 3)			404,455	404,455	187,706	(433,956)
Change in net assets	110,783	(440)	588,823	699,166	(347,137)	195,206
Net assets - beginning of year	<u>652,640</u>	<u>225,073</u>	<u>2,847,784</u>	<u>3,725,497</u>	<u>3,807,042</u>	<u>7,337,333</u>
Net assets - end of year	<u>\$763,423</u>	<u>\$224,633</u>	<u>\$3,436,607</u>	<u>\$4,424,663</u>	<u>\$3,459,905</u>	<u>\$7,532,539</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, 2019**  
(With comparative totals for the year ended December 31, 2018)

	Program Services					Supporting Services				
	Educational Program	Cultural and Historical Program	Student Fellowships Program	Internship Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 12/31/19	Total Expenses 12/31/18
Salaries	\$40,835	\$42,220	\$35,808	\$16,673	\$135,536	\$37,597	\$21,600	\$59,197	\$194,733	\$197,167
Payroll taxes and benefits	8,880	9,181	7,786	3,626	29,473	8,175	4,697	12,872	42,345	40,907
	49,715	51,401	43,594	20,299	165,009	45,772	26,297	72,069	237,078	238,074
Cultural grants	538,837	1,010,748			1,549,585				1,549,585	5,209,755
Fellowships		138,330	256,480		394,810			0	394,810	348,732
Event production (Note 9)					0		601,294	601,294	601,294	362,449
Chapter expense		45,873		46,375	92,248			0	92,248	52,893
Professional fees					0	60,704		60,704	60,704	52,321
Occupancy	11,390	11,777	9,989	4,651	37,807	10,488	6,026	16,514	54,321	52,384
Other expenses	3,400	6,153			9,553	30,203		30,203	39,756	31,721
Office supplies	2,709	2,798	2,373	1,105	8,985	2,491	1,432	3,923	12,908	19,821
Postage and shipping	749	773	656	305	2,483	687	396	1,083	3,566	2,712
Insurance	1,371	1,416	1,201	559	4,547	1,260	726	1,986	6,533	6,500
Telephone	1,375	1,418	1,203	560	4,556	1,262	724	1,986	6,542	7,996
Office equipment	1,088	1,124	951	444	3,607	1,001	576	1,577	5,184	6,122
Travel	1,264	1,312	1,107	450	4,133	1,233	666	1,899	6,032	2,905
Depreciation					0			0	0	722
Bad debt					0	2,717		2,717	2,717	0
Total expenses	611,898	1,273,123	317,554	74,748	2,277,323	157,818	638,137	795,955	3,073,278	6,395,107
Less: direct event expenses netted with revenue					0		(411,290)	(411,290)	(411,290)	(214,925)
Total expenses for statement of activities	\$611,898	\$1,273,123	\$317,554	\$74,748	\$2,277,323	\$157,818	\$226,847	\$384,665	\$2,661,988	\$6,180,182

*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, 2019**  
(With comparative totals for the year ended December 31, 2018)

	<u>12/31/19</u>	<u>12/31/18</u>
Cash flows from operating activities:		
Change in net assets	\$352,029	\$195,206
Adjustments to reconcile changes in net assets to net cash (used for)/provided by operating activities:		
Realized and unrealized (gain)/loss on investments	(616,098)	423,883
Depreciation	0	722
Changes in assets and liabilities:		
Contributions receivable, net	(26,249)	(839,807)
Student loans receivable, net	13,576	2,888
Prepaid expenses and other assets	(1,613)	(15,350)
Accounts payable and accrued expenses	(812,607)	528,147
Deferred revenue	(5,265)	3,148
Net cash (used for)/provided by operating activities	<u>(1,096,227)</u>	<u>298,837</u>
Cash flows from investing activities:		
Proceeds from sales of investments	4,477,086	3,096,597
Purchase of investments	(4,574,386)	(3,203,839)
Net cash used for investing activities	<u>(97,300)</u>	<u>(107,242)</u>
Net (decrease)/increase in cash and cash equivalents	(1,193,527)	191,595
Cash and cash equivalents - beginning of year	<u>3,043,584</u>	<u>2,851,989</u>
Cash and cash equivalents - end of year	<u><u>\$1,850,057</u></u>	<u><u>\$3,043,584</u></u>
Supplemental data:		
Interest and 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, 2019**

**Note 1 - Nature of Organization**

The Netherlands-America Foundation, Incorporated (the "Foundation") was organized to promote understanding and better relations between the people 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.

Effective, January 1, 2019 the Foundation adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Topic 606"). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective January 1, 2019, the Foundation adopted ASU No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("Topic 605"). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, the Foundation evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, the Foundation applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.



For contributions, the Foundation evaluates whether they are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the Foundation to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

Analysis of the various provisions of both of these standards resulted in no significant changes in the way the Foundation recognizes revenue.

b. Basis of Presentation

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

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use. Included within this class are two categories of 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.
- *Net Assets With Donor Restrictions* – relates to contributions of cash and other assets with donor stipulations that make clear the assets' restriction, either due to a program nature or by passage of time.

c. Revenue Recognition

Contributions are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same time period they are received, they are classified as without donor restrictions.

The Foundation records unconditional promises to give as revenue in the period received at net realizable value if expected to be received within one year or at fair value using risk adjusted present value techniques if material and expected to be received after one year. Long-term pledges are treated as implied time restricted until the period they are due, at which time they will be released from restriction and transferred to net assets without donor restrictions. Conditional contributions are recognized when the conditions on which they depend are substantially met.

All receivables are assessed for collectability. Based on a review of several factors, including the credit worthiness of the donor and historical experience, no allowance for doubtful accounts has been established.

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. Based on this review, no allowance was deemed necessary for pledges receivable and the allowance for doubtful student loan receivables was \$72,894 and \$79,524 in 2019 and 2018, respectively.

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, net of investment fees, are reflected in the statement of activities.

Donated securities are recorded at fair value on the date of the gift and are immediately sold by the Foundation, unless otherwise required by the donor. 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. 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 in-kind.

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.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following expenses were allocated using time and effort as the basis:

- Salaries
- Payroll taxes and benefits
- Occupancy
- Office supplies
- Postage and shipping
- Insurance
- Telephone
- Office Equipment
- Travel
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

j. 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, 2018, from which the summarized information was derived.

k. 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 amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

l. 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, 2016 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncement

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2021 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

### 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>12/31/19</u>	<u>12/31/18</u>
Mutual funds:		
U.S. large index	\$1,650,093	\$215,168
Mutual funds – bonds	788,847	538,232
U.S. small cap	765,941	96,122
International large cap	599,957	487,928
Energy/ natural resources	366,439	0
Growth real estate	356,728	0
Aggressive international	287,035	0
Exchange traded funds:		
Equity	0	1,787,204
Fixed income	0	678,932
Emerging markets	0	121,735
Other	0	106,617
U.S. long/short funds	0	50,557
Money markets	0	17,482
Equity securities – health care	<u>0</u>	<u>1,665</u>
Total	<u>\$4,815,040</u>	<u>\$4,101,642</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 investment assets are 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.

Investment income consists of the following:

	<u>12/31/19</u>	<u>12/31/18</u>
Realized and unrealized gain/(loss)		
on investments	\$616,098	(\$423,883)
Investment fees	<u>(23,937)</u>	<u>(10,073)</u>
Total	<u>\$592,161</u>	<u>(\$433,956)</u>

**Note 4 - Contributions Receivable**

Contributions receivable are due as follows:

Year ending:	December 31, 2020	\$668,094
	December 31, 2021	<u>250,000</u>
		918,094
Less: fair value discount (2%)		<u>(5,000)</u>
Total		<u>\$913,094</u>

**Note 5 - 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 at December 31, 2019 are due to be collected as follows:

Year ending:	December 31, 2020	\$266,552
	December 31, 2021	167,500
	December 31, 2022	<u>75,000</u>
		509,052
Allowance for doubtful accounts		<u>(72,849)</u>
Student loan receivable – net of allowance		<u>\$436,203</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 with donor restrictions 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>12/31/19</u>	<u>12/31/18</u>
With donor restrictions:		
Funds held – beginning of year	\$1,252,193	\$1,474,178
Investment income	48,564	37,401
Net realized and unrealized gains/(losses) on investments	187,706	(153,165)
Appropriation for expenditure	<u>(110,030)</u>	<u>(106,221)</u>
Funds held – end of year	<u>\$1,378,433</u>	<u>\$1,252,193</u>

**Note 8 - Net Assets With Donor Restrictions**

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

	<u>12/31/19</u>	<u>12/31/18</u>
Reuvers Educational Fund	\$1,378,433	\$1,252,193
Planten & Pluygers Fund	35,494	38,211
Fellowships	565,253	527,896
Carillon Fund	434,899	1,123,272
Dekker-Padget	298,472	121,106
Awards and others	<u>2,354</u>	<u>11,364</u>
Total program restrictions	2,714,905	3,074,042
Time restrictions	<u>745,000</u>	<u>733,000</u>
Total	<u>\$3,459,905</u>	<u>\$3,807,042</u>

Net assets were released from restriction for the following programs:

	<u>12/31/19</u>	<u>12/31/18</u>
Reuvers Educational Fund	\$110,030	\$106,221
Planten & Pluygers Fund	2,717	0
Fellowships	205,643	195,324
Carillon Fund	688,573	0
Dekker-Padget	120,252	97,898
Awards and others	<u>9,010</u>	<u>8,582</u>
Total	<u>\$1,136,225</u>	<u>\$408,025</u>

**Note 9 - Special Events Income**

Special events activity for the Foundation were comprised of the following:

	December 31, 2019				
	Peter Stuyvesant <u>Ball</u>	NAF Gala Awards <u>Dinner</u>	NAF Friendship <u>Gala</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$794,491	\$213,095	\$176,403	\$123,015	\$1,307,004
Less: expenses where donor receives a direct benefit	<u>(223,833)</u>	<u>(39,107)</u>	<u>(108,339)</u>	<u>(40,011)</u>	<u>(411,290)</u>
	570,658	173,988	68,064	83,004	895,714
Less: other event expenses	<u>(120,754)</u>	<u>(32,056)</u>	<u>(24,697)</u>	<u>(12,497)</u>	<u>(190,004)</u>
Net fundraising event	<u>\$449,904</u>	<u>\$141,932</u>	<u>\$43,367</u>	<u>\$70,507</u>	<u>\$705,710</u>

	December 31, 2018			
	Peter Stuyvesant <u>Ball</u>	NAF Gala Awards <u>Dinner</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$587,335	\$184,823	\$38,847	\$811,005
Less: expenses where donor receives a direct benefit	<u>(163,208)</u>	<u>(35,552)</u>	<u>(16,165)</u>	<u>(214,925)</u>
	424,127	149,271	22,682	596,080
Less: other event expenses	<u>(110,081)</u>	<u>(29,058)</u>	<u>(8,385)</u>	<u>(147,524)</u>
Net fundraising event	<u>\$314,046</u>	<u>\$120,213</u>	<u>\$14,297</u>	<u>\$448,556</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 are as follows:

Year ending:	December 31, 2020	\$50,472
	December 31, 2021	51,986
	December 31, 2022	<u>44,180</u>
Total		<u>\$146,638</u>

Total rent expense was \$54,321 and \$52,384 for 2019 and 2018, 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 their date of hire. The Foundation can make contributions to the plan at the Board of Directors' discretion although for the years ended December 31, 2019 and 2018, the Foundation has not elected to do so.

**Note 12 - Liquidity and Availability of Financial Resources**

The following reflects the Foundation's financial assets at December 31, 2019 and 2018, reduced by amounts that have donor-imposed or board-designated restrictions within one year of the balance sheet date:

	<u>12/31/19</u>	<u>12/31/18</u>
Cash and cash equivalents	\$1,850,057	\$3,043,584
Investments	4,815,040	4,101,642
Contributions receivable due in less than one year	668,094	378,845
Student loans receivable due in less than one year	<u>266,552</u>	<u>231,803</u>
Total	<u>7,599,743</u>	<u>7,755,874</u>
Less amounts not available to be used within one year:		
Contributions restricted – purpose restrictions	(2,714,905)	(3,074,042)
Restricted by board designations	<u>(3,661,240)</u>	<u>(3,072,857)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,223,598</u>	<u>\$1,608,975</u>

As part of its liquidity management, the Foundation strives to operate its programs within a balanced budget and maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. Cash in excess of these requirements is invested in mutual funds.

**Note 13 - Subsequent Events**

Management has evaluated the impact of all subsequent events through April 29, 2020, which is the date that the financial statements were available to be issued.

Subsequent to year end, the World Health Organization declared a novel coronavirus (COVID-19) outbreak a Public Health Emergency of International Concern. This could adversely affect the Foundation's donors and vendors as a result of quarantines, facility closures, and travel and logistics restrictions in connection with the outbreak. More broadly, the outbreak could affect workforces, economies and financial markets globally, potentially leading to an economic downturn. This could adversely affect and harm the Foundation's business and results of operations. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact of such on the Foundation's business cannot be quantified.



**THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED**  
**SCHEDULE OF CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Reuvers Educational Fund	Planten & Pluygers Fund	Fellowships	Carillon Fund	Dekker- Padget	Awards & Other	Total Program	Time	Total
Support and revenue:									
Contributions, grants and other gifts			\$35,000	\$200	\$297,618		\$332,818	\$12,000	\$344,818
Special events income, net			208,000				208,000		208,000
Interest and dividends	\$48,564						48,564		48,564
Total support and revenue	48,564	0	243,000	200	297,618	0	589,382	12,000	601,382
Satisfaction of program restrictions:									
Student fellowships	75,000		205,643		84,152		364,795		364,795
Fees and other expenses	35,030	2,717		688,573	36,100	9,010	771,430		771,430
Total program restrictions	110,030	2,717	205,643	688,573	120,252	9,010	1,136,225	0	1,136,225
Change in net assets with donor restrictions	(61,466)	(2,717)	37,357	(688,373)	177,366	(9,010)	(546,843)	12,000	(534,843)
Non-operating revenue:									
Investment income, net	187,706						187,706		187,706
Change in net assets	126,240	(2,717)	37,357	(688,373)	177,366	(9,010)	(359,137)	12,000	(347,137)
Net assets - beginning of year	1,252,193	38,211	527,896	1,123,272	121,106	11,364	3,074,042	733,000	3,807,042
Net assets - end of year	\$1,378,433	\$35,494	\$565,253	\$434,899	\$298,472	\$2,354	\$2,714,905	\$745,000	\$3,459,905