

IRA L. SCHALL, CPA  
DAVID C. ASHENFARB, CPA  
MICHAEL L. SCHALL, CPA



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

## Audited Financial Statements

December 31, 2021

## **INDEPENDENT AUDITORS' REPORT**

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

### ***Opinion***

We have audited the accompanying financial statements of the Netherland-American Foundation, Incorporated (the "Foundation"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Netherland-American Foundation, Incorporated as of December 31, 2021, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

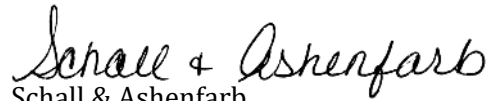
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

We have previously audited Netherland-American Foundation, Incorporated's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Supplementary Information***

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 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 in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Schall & Ashenfarb  
Certified Public Accountants, LLC

April 29, 2022

**THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**  
(With comparative totals as of December 31, 2020)

	<u>12/31/21</u>	<u>12/31/20</u>
<b>Assets</b>		
Cash and cash equivalents	\$2,040,174	\$1,757,767
Investments (Note 3)	6,124,136	5,271,597
Contributions receivable	227,761	559,068
Student loans receivable, net (Note 4)	294,106	365,217
Prepaid expenses and other assets	35,574	25,715
Property and equipment, net	<u>3,871</u>	<u>6,451</u>
Total assets	<u><u>\$8,725,622</u></u>	<u><u>\$7,985,815</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$112,045	\$187,873
Deferred revenue	1,350	9,468
Paycheck Protection Program loan (Note 5)	0	43,112
Custodial accounts (Note 6)	<u>19,000</u>	<u>19,000</u>
Total liabilities	<u><u>132,395</u></u>	<u><u>259,453</u></u>
Net assets:		
Without donor restrictions:		
Operations	940,194	641,258
Board designated:		
Friends fund	416,633	20,749
Funds held for long-term investment (including \$445,931 designated for student loans)	<u>4,572,562</u>	<u>3,866,578</u>
Total net assets without donor restrictions	<u><u>5,929,389</u></u>	<u><u>4,528,585</u></u>
With donor restrictions (Notes 7 and 8)	<u><u>2,663,838</u></u>	<u><u>3,197,777</u></u>
Total net assets	<u><u>8,593,227</u></u>	<u><u>7,726,362</u></u>
Total liabilities and net assets	<u><u>\$8,725,622</u></u>	<u><u>\$7,985,815</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, 2021**  
(With comparative totals for the year ended December 31, 2020)

	Without Donor Restrictions					
	Operations	Board Designated Friends Fund	Funds Held for Long Term & Student Loans	Total Without Donor Restrictions	Total With Donor Restrictions	Total 12/31/21
						Total 12/31/20
Support and revenue:						
Contributions, grants and other gifts	\$904,030	\$823,414		\$1,727,444	\$175,500	\$715,852
Forgiveness of Paycheck Protection Program loan (Note 5)	91,187			91,187		0
Special events income (net of expenses with a direct benefit to donor) (Note 9)	422,299			422,299	166,025	428,382
Interest and dividends	160		\$128,840	129,000	45,631	116,206
Student loan interest	7,000			7,000		5,212
Foreign exchange (loss)/gain	(3,137)			(3,137)		15,119
	<u>1,421,539</u>	<u>823,414</u>	<u>128,840</u>	<u>2,373,793</u>	<u>387,156</u>	<u>1,280,771</u>
Net assets released from restrictions (Note 8)	<u>1,011,363</u>		<u>87,790</u>	<u>1,099,153</u>	<u>(1,099,153)</u>	<u>0</u>
Total support and revenue	<u>2,432,902</u>	<u>823,414</u>	<u>216,630</u>	<u>3,472,946</u>	<u>(711,997)</u>	<u>1,280,771</u>
Expenses:						
Program services:						
Educational program	382,836	427,530		810,366		625,831
Cultural and historical program	751,552			751,552		430,962
Student fellowships program	321,180			321,180		275,517
Internship program	111,586			111,586		45,276
Total program services	<u>1,567,154</u>	<u>427,530</u>	<u>0</u>	<u>1,994,684</u>	<u>0</u>	<u>1,377,586</u>
Supporting services:						
Management and general	184,953			184,953		173,879
Fundraising	381,658			381,658		193,195
Total supporting services	<u>566,611</u>	<u>0</u>	<u>0</u>	<u>566,611</u>	<u>0</u>	<u>367,074</u>
Total expenses	<u>2,133,765</u>	<u>427,530</u>	<u>0</u>	<u>2,561,295</u>	<u>0</u>	<u>1,744,660</u>
Change in net assets from operations	299,137	395,884	216,630	911,651	(711,997)	(463,889)
Non-operating revenue:						
Investment income, net (Note 3)	<u>(201)</u>		<u>489,354</u>	<u>489,153</u>	<u>178,058</u>	<u>305,683</u>
Change in net assets	298,936	395,884	705,984	1,400,804	(533,939)	(158,206)
Net assets - beginning of year	<u>641,258</u>	<u>20,749</u>	<u>3,866,578</u>	<u>4,528,585</u>	<u>3,197,777</u>	<u>7,884,568</u>
Net assets - end of year	<u>\$940,194</u>	<u>\$416,633</u>	<u>\$4,572,562</u>	<u>\$5,929,389</u>	<u>\$2,663,838</u>	<u>\$7,726,362</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, 2021**  
(With comparative totals for the year ended December 31, 2020)

	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 12/31/21	Total Expenses 12/31/20
Salaries	\$52,865	\$39,216	\$76,888	\$36,656	\$205,625	\$53,833	\$123,755	\$177,588	\$383,213	\$233,658
Payroll taxes and benefits	11,325	8,402	16,472	7,853	44,052	11,534	26,514	38,048	82,100	51,695
	<u>64,190</u>	<u>47,618</u>	<u>93,360</u>	<u>44,509</u>	<u>249,677</u>	<u>65,367</u>	<u>150,269</u>	<u>215,636</u>	<u>465,313</u>	<u>285,353</u>
Cultural grants	658,302	689,113			1,347,415			0	1,347,415	814,777
Fellowships			177,199	54,789	231,988			0	231,988	244,635
Essay awards	25,402				25,402			0	25,402	0
Event production and promotion	37,367				37,367		430,814	430,814	468,181	167,596
Chapter expense	3,000	3,079	27,600	1,312	34,991			0	34,991	22,850
Professional fees	6,273				6,273	77,508	31,849	109,357	115,630	96,039
Occupancy	7,942	5,891	11,550	5,507	30,890	8,087	18,591	26,678	57,568	56,440
Other expenses					0	20,693		20,693	20,693	14,120
Office supplies	3,118	2,312	4,533	2,161	12,124	3,172	7,295	10,467	22,591	41,867
Postage and shipping	495	367	719	343	1,924	503	1,158	1,661	3,585	326
Insurance	971	720	1,411	673	3,775	987	2,271	3,258	7,033	6,761
Telephone	683	505	991	472	2,651	693	1,595	2,288	4,939	6,427
Office equipment	1,981	1,470	2,882	1,374	7,707	2,019	4,639	6,658	14,365	6,600
Travel	286	213	417	199	1,115	292	671	963	2,078	1,144
Depreciation	356	264	518	247	1,385	362	833	1,195	2,580	1,290
Bad debt					0	5,270		5,270	5,270	5,101
Total expenses	<u>810,366</u>	<u>751,552</u>	<u>321,180</u>	<u>111,586</u>	<u>1,994,684</u>	<u>184,953</u>	<u>649,985</u>	<u>834,938</u>	<u>2,829,622</u>	<u>1,771,326</u>
Less: direct event expenses netted with revenue					<u>0</u>		<u>(268,327)</u>	<u>(268,327)</u>	<u>(268,327)</u>	<u>(26,666)</u>
Total expenses for statement of activities	<u>\$810,366</u>	<u>\$751,552</u>	<u>\$321,180</u>	<u>\$111,586</u>	<u>\$1,994,684</u>	<u>\$184,953</u>	<u>\$381,658</u>	<u>\$566,611</u>	<u>\$2,561,295</u>	<u>\$1,744,660</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, 2021**  
(With comparative totals for the year ended December 31, 2020)

	<u>12/31/21</u>	<u>12/31/20</u>
Cash flows from operating activities:		
Change in net assets	\$866,865	(\$158,206)
Adjustments to reconcile changes in net assets to net cash provided by/(used for) operating activities:		
Forgiveness of Paycheck Protection Program loan	43,112	0
Realized and unrealized gain on investments	(699,680)	(331,261)
Depreciation	2,580	1,290
Changes in assets and liabilities:		
Contributions receivable, net	331,307	354,026
Student loans receivable, net	71,111	70,986
Prepaid expenses and other assets	(9,859)	8,611
Accounts payable and accrued expenses	(75,828)	44,534
Deferred revenue	(8,118)	7,655
Net cash provided by/(used for) operating activities	<u>521,490</u>	<u>(2,365)</u>
Cash flows from investing activities:		
Purchase of fixed assets	0	(7,741)
Proceeds from sales of investments	8,156,174	4,144,875
Purchase of investments	(8,395,257)	(4,270,171)
Net cash used for investing activities	<u>(239,083)</u>	<u>(133,037)</u>
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	-	43,112
Net cash provided by investing activities	<u>0</u>	<u>43,112</u>
Net increase/(decrease) in cash and cash equivalents	282,407	(92,290)
Cash and cash equivalents - beginning of year	<u>1,757,767</u>	<u>1,850,057</u>
Cash and cash equivalents - end of year	<u>\$2,040,174</u>	<u>\$1,757,767</u>
Supplemental data:		
Interest and 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, 2021**

**Note 1 - Nature of Organization**

The Netherland-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 has the following programs:

**Educational Program:** Issues grants to support educational institutions in the Netherlands.

**Cultural and Historic Program:** The program funds a wide range of exhibitions, performances, research and residencies for artists, promoting a high level of artistic and intellectual exchange between the United States and the Netherlands.

**Student Fellowship and Internship Programs:** The program provides fellowships, educational grants, and interest-free student loans to Dutch students pursuing an education or internship in the United States and to American students pursuing an education in the Netherlands.

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

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

a. Basis of Accounting

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

b. 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, a portion of which is designated for student loans.

	<u>12/31/21</u>	<u>12/31/20</u>
Friends fund	\$416,633	\$20,749
Student loans	445,931	445,931
Funds held for long term	<u>4,126,631</u>	<u>3,420,647</u>
Total	<u>\$4,989,195</u>	<u>\$3,887,327</u>

- *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 the passage of time.

c. Revenue Recognition

The Foundation follows the requirements of Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor 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 period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations. At December 31, 2021, all receivables were due within one year.

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 \$77,574 and \$72,894 in 2021 and 2020, respectively.

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, except for cash held with an investment custodian for long-term purposes.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Foundation to a 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. 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.

g. 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.

h. 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.

i. 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, 2020, from which the summarized information was derived.

j. 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.

k. 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, 2018 and later are subject to examination by applicable taxing authorities.

l. New Accounting Pronouncements

FASB issued Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the consolidated statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2022 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.

The Foundation is in the process of evaluating 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>12/31/21</u>	<u>12/31/20</u>
Cash	\$142,165	\$5,271,205
Exchange traded funds	5,971,456	0
Equity securities	<u>10,515</u>	<u>392</u>
Total	<u>\$6,124,136</u>	<u>\$5,271,597</u>

In December of 2020, the Foundation changed its investment custodian. As a result, the full balance in the investment account was cash at year end. Subsequent to year end, the Foundation converted the cash to exchange traded funds. 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. The investment policy requires that the investments are appropriately diversified 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.

Investment income consists of the following:

	<u>12/31/21</u>	<u>12/31/20</u>
Realized and unrealized gains	\$699,680	\$331,261
Investment fees	<u>(32,469)</u>	<u>(25,578)</u>
Total	<u>\$667,211</u>	<u>\$305,683</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 up 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 donor restricted Planten & Pluygers Fund, and the donor restricted Samuel Freeman Program.

Student loans receivable at December 31, 2021 are due to be collected as follows:

Year ending:	December 31, 2022	\$191,680
	December 31, 2023	60,000
	December 31, 2024	60,000
	December 31, 2025	<u>60,000</u>
		371,680
Allowance for doubtful accounts		<u>(77,574)</u>
Student loan receivable – net of allowance		<u>\$294,106</u>

#### **Note 5 - Paycheck Protection Program Loan**

During the year ended December 31, 2020, the Foundation obtained a loan from the Small Business Administration ("SBA") in the amount of \$43,112 through the Paycheck Protection Program ("PPP"). Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are greater than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. The Foundation has opted to treat PPP proceeds as a loan payable in accordance with FASB ASC 470. Under this treatment, the proceeds from the loan remain as a liability until the loan is forgiven by the SBA. The loan forgiveness amount of \$43,112 was approved on March 18, 2021.

During the year ended December 31, 2021 the Foundation obtained a second PPP loan in the amount of \$48,075. The terms of the second loan were the same as described above. The loan forgiveness amount of \$48,075 was approved on December 22, 2021.

**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-America Foundation gala awards dinner.

**Note 7 - Term Endowment – Reuvers Educational Fund**

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>12/31/21</u>	<u>12/31/20</u>
With donor restrictions:		
Funds held – beginning of year	\$1,405,160	\$1,378,433
Investment income	45,631	32,486
Net realized and unrealized gains on investments	178,058	94,058
Appropriation for expenditure	<u>(87,790)</u>	<u>(99,817)</u>
Funds held – end of year	<u>\$1,541,059</u>	<u>\$1,405,160</u>

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

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

	<u>12/31/21</u>	<u>12/31/20</u>
Reuvers Educational Fund	\$1,541,059	\$1,405,160
Planten & Pluygers Fund	30,938	36,208
Fellowships	620,723	557,253
Carillon Fund	132,484	430,889
Dekker-Padget	188,134	266,027
Cultural and Historical Programming	100,000	0
Podcast	50,500	0
Awards and others	<u>0</u>	<u>2,240</u>
Total program restrictions	2,663,838	2,697,777
Time restrictions	<u>0</u>	<u>500,000</u>
Total	<u>\$2,663,838</u>	<u>\$3,197,777</u>

Net assets were released from restriction for the following:

	<u>12/31/21</u>	<u>12/31/20</u>
Reuvers Educational Fund	\$87,790	\$99,817
Planten & Pluygers Fund	5,270	0
Fellowships	128,055	114,000
Carillon Fund	298,405	4,010
Dekker-Padget	77,893	164,396
Awards and others	<u>1,740</u>	<u>614</u>
Total program	599,153	382,837
Time restrictions	<u>500,000</u>	<u>250,000</u>
Total	<u>\$1,099,153</u>	<u>\$632,837</u>

**Note 9 - Special Events Income**

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

	<u>December 31, 2021</u>				
	<u>NAF Ball</u>	<u>NAF Gala Awards Dinner</u>	<u>NAF Friendship Gala</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$619,278	\$194,325	\$27,971	\$15,077	\$856,651
Less: expenses where donor receives a direct benefit	<u>(212,549)</u>	<u>(40,620)</u>	<u>(6,918)</u>	<u>(8,240)</u>	<u>(268,327)</u>
	406,729	153,705	21,053	6,837	588,324
Less: other event expenses	<u>(85,850)</u>	<u>(32,123)</u>	<u>(1,150)</u>	<u>(80,731)</u>	<u>(199,854)</u>
Net fundraising event	<u>\$320,879</u>	<u>\$121,582</u>	<u>\$19,903</u>	<u>(\$73,894)</u>	<u>\$388,470</u>

	<u>December 31, 2020</u>				
	<u>NAF Ball</u>	<u>NAF Gala Awards Dinner</u>	<u>NAF Friendship Gala</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$236,759	\$117,870	\$67,746	\$32,673	\$455,048
Less: expenses where donor receives a direct benefit	<u>(23,489)</u>	<u>(614)</u>	<u>(259)</u>	<u>(2,304)</u>	<u>(26,666)</u>
	213,270	117,256	67,487	30,369	428,382
Less: other event expenses	<u>(54,526)</u>	<u>(31,331)</u>	<u>(41,986)</u>	<u>(13,087)</u>	<u>(140,930)</u>
Net fundraising event	<u>\$158,744</u>	<u>\$85,925</u>	<u>\$25,501</u>	<u>\$17,282</u>	<u>\$287,452</u>

**Note 10 - Operating Lease Commitment**

On September 1, 2015, the Foundation entered into an office lease agreement through October 31, 2022. During the year ended December 31, 2022, future minimum payments are \$44,180. Total rent expense was \$57,568 and \$56,440 for the years ended December 31, 2021 and 2020, 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. For the years ended December 31, 2021 and 2020, the Foundation made contributions totaling \$8,967 and \$3,810, respectively.

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

The following reflects the Foundation's financial assets at December 31, 2021, reduced by amounts that have donor-imposed or board-designated restrictions within one year of the statement of financial position date:

Cash and cash equivalents	\$2,040,174	
Investments	6,124,136	
Contributions receivable	227,761	
Student loans receivable due in less than one year, net	<u>191,680</u>	
Total financial assets		\$8,583,751
Less amounts not available to be used within one year:		
Contributions restricted – purpose restrictions	(2,663,838)	
Restricted by board designations	(4,989,195)	
Funds held for custodial accounts	<u>(19,000)</u>	
Total not available to be used within one year:		<u>(7,672,033)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$911,718</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**

Subsequent events have been evaluated through April 29, 2022, the date the financial statements were available to be issued. There were no material events that have occurred that required adjustment to or disclosure to the financial statements.



**Note 14 - Other Matters**

On January 30, 2020, the World Health Organization declared a novel coronavirus (COVID-19) outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these financial statements the potential impact cannot be quantified.

**THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED**  
**SCHEDULE OF CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Reuvers Educational Fund	Planten & Pluygers Fund	Fellowships	Carillon Fund	Cultural & Historical Programming	Podcast	Dekker- Padget	Awards & Other	Total Program	Time	Total
Support and revenue:											
Contributions, grants and other gifts			\$25,000		\$100,000	\$50,500			\$175,500		\$175,500
Special events income, net			166,025						166,025		166,025
Interest and dividends	\$45,631								45,631		45,631
Total support and revenue	45,631	0	191,025	0	100,000	50,500	0	0	387,156	0	387,156
Satisfaction of program restrictions:											
Student fellowships	70,000		93,993				54,789		218,782		218,782
Fees and other expenses	17,790	5,270	34,062	298,405			23,104	1,740	380,371	500,000	880,371
Total program restrictions	87,790	5,270	128,055	298,405	0	0	77,893	1,740	599,153	500,000	1,099,153
Change in net assets with donor restrictions	(42,159)	(5,270)	62,970	(298,405)	100,000	50,500	(77,893)	(1,740)	(211,997)	(500,000)	(711,997)
Non-operating revenue:											
Investment income, net	178,058								178,058		178,058
Change in net assets	135,899	(5,270)	62,970	(298,405)	100,000	50,500	(77,893)	(1,740)	(33,939)	(500,000)	(533,939)
Net assets - beginning of year	1,405,160	36,208	557,753	430,889	0	0	266,027	1,740	2,697,777	500,000	3,197,777
Net assets - end of year	\$1,541,059	\$30,938	\$620,723	\$132,484	\$100,000	\$50,500	\$188,134	\$0	\$2,663,838	\$0	\$2,663,838