



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

## Audited Financial Statements

December 31, 2018

## **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, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Netherland-America Foundation, Incorporated as of December 31, 2018, 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.

### ***Emphasis of Matter***

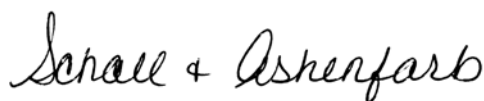
As discussed in Note 2 to the financial statements, the Foundation adopted Accounting Standards Update No. 2016-14, "*Presentation of Financial Statements of Not-for-Profit Entities*" Topic (958). Our opinion is not modified with respect to this matter.

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

We have previously audited the Foundation's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April, 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 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 - programs on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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Schall & Ashenfarb  
Certified Public Accountants, LLC

May 8, 2019

**THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2018**  
(With comparative totals as of December 31, 2017)

	<u>12/31/18</u>	<u>12/31/17</u>
<b>Assets</b>		
Cash and cash equivalents	\$3,043,584	\$2,851,989
Investments (Note 3)	4,101,642	4,418,283
Contributions receivable (Note 4)	886,845	47,038
Student loans receivable (net of allowance for doubtful accounts) (Note 5)	449,779	452,667
Prepaid expenses and other assets	32,713	17,363
Property and equipment (net of accumulated depreciation) (Note 6)	<u>0</u>	<u>722</u>
Total assets	<u><u>\$8,514,563</u></u>	<u><u>\$7,788,062</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$955,946	\$427,799
Deferred revenue	7,078	3,930
Custodial accounts (Note 7)	<u>19,000</u>	<u>19,000</u>
Total liabilities	<u><u>982,024</u></u>	<u><u>450,729</u></u>
Net assets:		
Without donor restrictions:		
Operations	652,640	722,143
Board designated:		
Friends fund	225,073	1,135,895
Funds held for long-term investment (including \$445,931 designated for student loans)	<u>2,847,784</u>	<u>2,944,105</u>
Total net assets without donor restrictions	<u><u>3,725,497</u></u>	<u><u>4,802,143</u></u>
With donor restrictions (Note 9)	<u>3,807,042</u>	<u>2,535,190</u>
Total net assets	<u><u>7,532,539</u></u>	<u><u>7,337,333</u></u>
Total liabilities and net assets	<u><u>\$8,514,563</u></u>	<u><u>\$7,788,062</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, 2018**  
(With comparative totals for the year ended December 31, 2017)

	Without Donor Restrictions					
	Operations	Board Designated Friends Fund	Funds Held for Long Term & Student Loans	Total Without Donor Restrictions	Total With Donor Restrictions	Total 12/31/18
						Total 12/31/17
Support and revenue:						
Contributions, grants and other gifts	\$229,643	\$4,186,751		\$4,416,394	\$1,637,483	\$5,222,324
Special events income (net of expenses with a direct benefit to donor) (Note 10)	464,580			464,580	131,500	638,062
Interest and dividends	19,754		\$78,249	98,003	37,401	110,229
Student loan interest	11,837			11,837		13,522
Bad debt recovery				0	26,658	0
Foreign exchange loss	(14,512)			(14,512)		39,656
	711,302	4,186,751	78,249	4,976,302	1,833,042	6,023,793
Net assets released from restrictions (Note 9)	301,804		106,221	408,025	(408,025)	0
Total support and revenue	1,013,106	4,186,751	184,470	5,384,327	1,425,017	6,023,793
Expenses:						
Program services:						
Educational program grants and expenses	57,336	4,394,054		4,451,390		3,018,536
Cultural and historical grants and expenses	345,858	703,519		1,049,377		780,244
Student fellowships and expenses	320,239			320,239		280,737
Washington D.C. program	48,899			48,899		47,062
Total program expense	772,332	5,097,573	0	5,869,905	0	4,126,579
Supporting services:						
Management and general	112,168			112,168		101,418
Fundraising	198,109			198,109		195,659
Total supporting services	310,277	0	0	310,277	0	297,077
Total expenses	1,082,609	5,097,573	0	6,180,182	0	4,423,656
Change in net assets from operations	(69,503)	(910,822)	184,470	(795,855)	1,425,017	1,600,137
Non-operating revenue:						
Investment gain/(loss) (net of fees) (Note 3)			(280,791)	(280,791)	(153,165)	443,846
Change in net assets	(69,503)	(910,822)	(96,321)	(1,076,646)	1,271,852	2,043,983
Net assets - beginning of year	722,143	1,135,895	2,944,105	4,802,143	2,535,190	5,293,350
Net assets - end of year	\$652,640	\$225,073	\$2,847,784	\$3,725,497	\$3,807,042	\$7,337,333

*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, 2018**  
(With comparative totals for the year ended December 31, 2017)

	Program Services				Supporting Services					
	Educational Program	Cultural and Historical Program	Student Fellowships Program	Washington D.C. Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 12/31/18	Total Expenses 12/31/17
Salaries	\$29,575	\$64,517	\$42,117	\$7,175	\$143,384	\$24,208	\$29,575	\$53,783	\$197,167	\$167,537
Payroll taxes and benefits	6,136	13,386	8,738	1,489	29,749	5,022	6,136	11,158	40,907	38,891
	35,711	77,903	50,855	8,664	173,133	29,230	35,711	64,941	238,074	206,428
Cultural grants	4,394,054	815,701			5,209,755				5,209,755	3,586,062
Fellowships		100,530	248,202		348,732			0	348,732	216,800
Special events (Note 10)					0		362,449	362,449	362,449	357,031
Chapter expense	5,000	11,266		36,627	52,893			0	52,893	47,943
Professional fees					0	52,321		52,321	52,321	43,572
Occupancy	7,857	17,141	11,190	1,906	38,094	6,432	7,858	14,290	52,384	50,365
Miscellaneous	1,747	11,530			13,277	18,444		18,444	31,721	48,331
Office supplies	2,975	6,485	4,234	721	14,415	2,433	2,973	5,406	19,821	13,216
Postage and shipping	408	887	579	99	1,973	332	407	739	2,712	3,998
Insurance	976	2,127	1,388	237	4,728	797	975	1,772	6,500	6,737
Telephone	1,201	2,616	1,708	291	5,816	981	1,199	2,180	7,996	7,168
Office equipment	918	2,004	1,308	222	4,452	752	918	1,670	6,122	4,859
Travel and entertainment	434	951	621	106	2,112	357	436	793	2,905	4,286
Depreciation	109	236	154	26	525	89	108	197	722	1,532
Bad Debt					0			0	0	31,487
Total expenses before direct event expenses netted with revenue	4,451,390	1,049,377	320,239	48,899	5,869,905	112,168	413,034	525,202	6,395,107	4,629,815
Less: direct event expenses netted with revenue					0		(214,925)	(214,925)	(214,925)	(206,159)
Total expenses	\$4,451,390	\$1,049,377	\$320,239	\$48,899	\$5,869,905	\$112,168	\$198,109	\$310,277	\$6,180,182	\$4,423,656

*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, 2018**  
(With comparative totals for the year ended December 31, 2017)

	<u>12/31/18</u>	<u>12/31/17</u>
Cash flows from operating activities:		
Change in net assets	\$195,206	\$2,043,983
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Realized and unrealized loss/(gain) on investments	423,883	(456,385)
Depreciation	722	1,532
Changes in assets and liabilities:		
Contributions receivable	(839,807)	92,690
Student loans receivable, net	2,888	42,767
Prepaid expenses and other assets	(15,350)	2,270
Accounts payable and accrued expenses	528,147	315,738
Deferred revenue	3,148	(355)
Net cash provided by operating activities	<u>298,837</u>	<u>2,042,240</u>
Cash flows from investing activities:		
Proceeds from sales of investments	3,096,597	607,906
Purchase of investments	(3,203,839)	(702,236)
Net cash used for investing activities	<u>(107,242)</u>	<u>(94,330)</u>
Net increase in cash and cash equivalents	191,595	1,947,910
Cash and cash equivalents - beginning of year	<u>2,851,989</u>	<u>904,079</u>
Cash and cash equivalents - end of year	<u><u>\$3,043,584</u></u>	<u><u>\$2,851,989</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, 2018**

**Note 1 - Nature of Organization**

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

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

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

a. Basis of Accounting

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

Effective, January 1, 2018, the Foundation adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016- 14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 13).

Implementation of ASU 2016-14 did not require any reclassification or restatement of any opening balances related to the periods presented.

b. Net Assets

The Foundation reports information regarding its financial position and activities according to the following class 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. Contributions

Contributions are recorded at the earlier of when cash is received or a donor makes an unconditional promise to give. Contributions are considered net assets without donor restrictions, unless specifically restricted by the donor, in which case they are recorded as net assets with donor restrictions. When a restriction is satisfied or expires with the passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If a restricted contribution is satisfied within the same period it has been received, it is recorded as net assets without donor restrictions.

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

d. Cash and Cash Equivalents

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

e. Concentration of Credit Risk

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

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

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

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

f. Allowance for Doubtful Accounts

The Foundation bases its allowance for doubtful accounts on its historical loss experience considering the age of the receivables. Based on this review, no allowance was deemed necessary for pledges receivable and the allowance for doubtful student loan receivables was \$79,524 and \$106,183 in 2018 and 2017, 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 are reflected in the statement of activities.

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

h. Property and Equipment

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

i. Deferred Revenue

Earned income is recognized over the periods to which the revenue relates. Cash received in advance of the earnings recognition process is reflected as deferred revenue.

j. In-kind Support

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

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

k. Functional Allocation of Expenses

The costs of providing 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. Such allocations are determined by management on an equitable basis.

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

- Salaries, payroll tax and benefits
- Occupancy
- Office supplies, office equipment and postage
- Telephone
- Depreciation
- Insurance
- Travel and entertainment

l. Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

m. Use of Estimates

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

n. Accounting for Uncertainty of Income Taxes

The Foundation does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2015 and later are subject to examination by applicable taxing authorities.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through May 8, 2019, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

p. New Accounting Pronouncement

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the December 31, 2019 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2020 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>12/31/18</u>	<u>12/31/17</u>
Money markets	\$17,482	\$27,300
Equity securities – health care	1,665	0
Exchange traded funds:		
Equity	1,787,204	1,801,143
Fixed income	678,932	609,514
Mutual funds – bonds	538,232	517,246
Mutual funds – equities:		
U.S. large index	215,168	364,402
U.S. small cap	96,122	145,794
U.S. long/short funds	50,557	70,426
International	487,928	420,385
Emerging markets	121,735	183,305
Other	<u>106,617</u>	<u>278,768</u>
Total	<u>\$4,101,642</u>	<u>\$4,418,283</u>

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

**Note 4 - Contributions Receivable**

Contributions receivable are due as follows:

Year ending:	December 31, 2019	\$378,845
	December 31, 2020	275,000
	December 31, 2021	<u>250,000</u>
		903,845
Less: fair value discount		<u>(17,000)</u>
Total		<u>\$886,845</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 & Plugers Fund and the Samuel Freeman Program.

In early 2017, the Education Committee of the Foundation adopted new standard operating procedures and policies for student loans and applied this policy to student loan balances at December 31, 2016. Applying the new allowance guidelines included in that policy to loan balances at December 31, 2018 would reduce the reserve by \$30,012 as repayments on loans outstanding improved. The Foundation has decided not to release provisions until the loans provided for have been fully repaid.

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

	<u>12/31/18</u>	<u>12/31/17</u>
Year ending: December 31, 2018	\$0	\$333,850
December 31, 2019	231,803	95,000
December 31, 2020	130,000	130,000
December 31, 2021	<u>167,500</u>	<u>0</u>
	529,303	558,850
Allowance for doubtful accounts	<u>(79,524)</u>	<u>(106,183)</u>
Student loan receivable – net of allowance	<u>\$449,779</u>	<u>\$452,667</u>

**Note 6 - Property and Equipment**

Property and equipment consist of the following:

	<u>12/31/18</u>	<u>12/31/17</u>
Office equipment	\$7,701	\$7,701
Accumulated depreciation	<u>(7,701)</u>	<u>(6,979)</u>
Total	<u>\$0</u>	<u>\$722</u>

**Note 7 - 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 8 - 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>12/31/18</u>	<u>12/31/17</u>
With donor restrictions:		
Funds held – beginning of year	\$1,474,178	\$1,415,490
Investment income	37,401	46,904
Net realized and unrealized gains on investments	(153,165)	140,003
Appropriation for expenditure	<u>(106,221)</u>	<u>(128,219)</u>
Funds held – end of year	<u>\$1,252,193</u>	<u>\$1,474,178</u>

**Note 9 - Net Assets With Donor Restrictions**

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

	<u>12/31/18</u>	<u>12/31/17</u>
Reuvers Educational Fund	\$1,252,193	\$1,474,178
Planten & Plugers Fund	38,211	11,553
Fellowships	527,896	516,720
Carillon Fund	1,123,272	433,751
Dekker-Padget	121,106	86,004
Awards and others	<u>11,364</u>	<u>12,984</u>
Total program restrictions	3,074,042	2,535,190
Time restrictions	<u>733,000</u>	<u>0</u>
Total	<u>\$3,807,042</u>	<u>\$2,535,190</u>

Net assets were released from restriction for the following programs:

	<u>12/31/18</u>	<u>12/31/17</u>
Reuvers Educational Fund	\$106,221	\$128,219
Planten & Plugers Fund	0	3,690
Fellowships	195,324	156,032
Dekker-Padget	97,898	13,996
Awards and others	<u>8,582</u>	<u>8,752</u>
Total	<u>\$408,025</u>	<u>\$310,689</u>

**Note 10 - Special Events Income**

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

	December 31, 2018			
	Peter Stuyvesant Ball	NAF Gala Awards Dinner	Other	Total
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>

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

**Note 11 - Operating Lease Commitment**

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

Year ending:	December 31, 2019	\$49,002
	December 31, 2020	50,472
	December 31, 2021	51,986
	December 31, 2022	<u>44,180</u>
Total		<u>\$195,640</u>

Total rent expense was \$52,384 and \$50,365 for 2018 and 2017, respectively.

**Note 12 - Retirement Plan**

The Foundation has a 403(b) plan where employees may contribute pre-tax dollars to a voluntary retirement account. Employees are eligible for inclusion to this plan upon date of hire. The Foundation can make contributions to the plan at the Board of Directors' discretion although for the years ended December 31, 2018 and 2017, the Foundation has not elected to do so.

**Note 13 - Liquidity and Availability of Financial Resources**

The following reflects the Foundation's financial assets at December 31, 2018 and 2017, reduced by amounts that have donor-imposed or board-designated restrictions within one year of the balance sheet date.

	<u>12/31/18</u>	<u>12/31/17</u>
Cash and cash equivalents	\$3,043,584	\$2,851,989
Investments	4,101,642	4,418,283
Contributions receivable due in less than one year	378,845	47,038
Student loans receivable due in less than one year	<u>231,803</u>	<u>333,850</u>
Total financial assets	<u>7,755,874</u>	<u>7,651,160</u>
Less amounts not available to be used within one year:		
Contributions restricted – purpose restrictions	(3,074,042)	(2,535,190)
Restricted by board designations	<u>(3,072,857)</u>	<u>(4,080,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,608,975</u>	<u>\$1,035,970</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 investment in money market accounts, exchange traded funds and mutual funds.



**THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED**  
**SCHEDULE OF CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	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			\$75,000	\$690,908	\$133,000	\$5,575	\$904,483	\$733,000	\$1,637,483
Special events income			131,500				131,500		131,500
Bad debt recovery		\$26,658					26,658		26,658
Interest and dividends	\$37,401						37,401		37,401
Total support and revenue	37,401	26,658	206,500	690,908	133,000	5,575	1,100,042	733,000	1,833,042
Satisfaction of program restrictions:									
Student fellowships	80,000		157,031		97,898	5,000	339,929		339,929
Fees and other expenses	26,221		38,293	1,387		2,195	68,096		68,096
Total program restrictions	106,221	0	195,324	1,387	97,898	7,195	408,025	0	408,025
Change in temporarily restricted net assets from operations	(68,820)	26,658	11,176	689,521	35,102	(1,620)	692,017	733,000	1,425,017
Non-operating revenue:									
Net realized and unrealized gain on investments	(153,165)						(153,165)		(153,165)
Change in net assets	(221,985)	26,658	11,176	689,521	35,102	(1,620)	538,852	733,000	1,271,852
Net assets - beginning of year	1,474,178	11,553	516,720	433,751	86,004	12,984	2,535,190		2,535,190
Net assets - end of year	\$1,252,193	\$38,211	\$527,896	\$1,123,272	\$121,106	\$11,364	\$3,074,042	\$733,000	\$3,807,042