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The Netherland-America Foundation, Inc.

Audited Financial Statements

December 31, 2020

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, 2020, 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

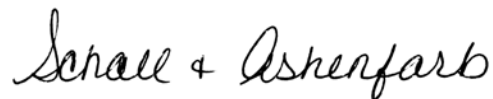
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Netherland-America Foundation, Incorporated as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 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.



Schall & Ashenfarb
Certified Public Accountants, LLC

May 7, 2021

THE NETHERLAND-AMERICA FOUNDATION, INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
(With comparative totals as of December 31, 2019)

	<u>12/31/20</u>	<u>12/31/19</u>
Assets		
Cash and cash equivalents	\$1,757,767	\$1,850,057
Investments (Note 3)	5,271,597	4,815,040
Contributions receivable, net (Note 4)	559,068	913,094
Student loans receivable, net (Note 5)	365,217	436,203
Prepaid expenses and other assets	25,715	34,326
Property and equipment (net of accumulated depreciation)	<u>6,451</u>	<u>0</u>
Total assets	<u><u>\$7,985,815</u></u>	<u><u>\$8,048,720</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$187,873	\$143,339
Deferred revenue	9,468	1,813
Paycheck Protection Program loan (Note 6)	43,112	0
Custodial accounts (Note 7)	<u>19,000</u>	<u>19,000</u>
Total liabilities	<u><u>259,453</u></u>	<u><u>164,152</u></u>
Net assets:		
Without donor restrictions:		
Operations	641,258	763,423
Board designated:		
Friends fund	20,749	224,633
Funds held for long-term investment (including \$445,931 designated for student loans)	<u>3,866,578</u>	<u>3,436,607</u>
Total net assets without donor restrictions	<u><u>4,528,585</u></u>	<u><u>4,424,663</u></u>
With donor restrictions (Notes 8 and 9)	<u><u>3,197,777</u></u>	<u><u>3,459,905</u></u>
Total net assets	<u><u>7,726,362</u></u>	<u><u>7,884,568</u></u>
Total liabilities and net assets	<u><u>\$7,985,815</u></u>	<u><u>\$8,048,720</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, 2020
(With comparative totals for the year ended December 31, 2019)

	Without Donor Restrictions			Total With Donor Restrictions	Total 12/31/20	Total 12/31/19
	Operations	Board Designated Friends Fund	Funds Held for Long Term & Student Loans	Total Without Donor Restrictions		
Support and revenue:						
Contributions, grants and other gifts	\$224,835	\$352,852		\$577,687	\$138,165	\$1,327,283
Special events income (net of expenses with a direct benefit to donor) (Note 10)	322,382			322,382	106,000	895,714
Interest and dividends	1,850		\$81,870	83,720	32,486	188,628
Student loan interest	5,212			5,212	5,212	10,773
Foreign exchange gain/(loss)	15,119			15,119	15,119	(542)
	<u>569,398</u>	<u>352,852</u>	<u>81,870</u>	<u>1,004,120</u>	<u>276,651</u>	<u>2,421,856</u>
Net assets released from restrictions (Note 9)	<u>496,361</u>		<u>136,476</u>	<u>632,837</u>	<u>0</u>	<u>0</u>
Total support and revenue	<u>1,065,759</u>	<u>352,852</u>	<u>218,346</u>	<u>1,636,957</u>	<u>(356,186)</u>	<u>2,421,856</u>
Expenses:						
Program services:						
Educational program	88,825	537,006		625,831	625,831	611,898
Cultural and historical program	411,232	19,730		430,962	430,962	1,273,123
Student fellowships program	275,517			275,517	275,517	317,554
Internship program	45,276			45,276	45,276	74,748
Total program services	<u>820,850</u>	<u>556,736</u>	<u>0</u>	<u>1,377,586</u>	<u>0</u>	<u>2,277,323</u>
Supporting services:						
Management and general	173,879			173,879	173,879	157,818
Fundraising	193,195			193,195	193,195	226,847
Total supporting services	<u>367,074</u>	<u>0</u>	<u>0</u>	<u>367,074</u>	<u>0</u>	<u>384,665</u>
Total expenses	<u>1,187,924</u>	<u>556,736</u>	<u>0</u>	<u>1,744,660</u>	<u>0</u>	<u>2,661,988</u>
Change in net assets from operations	(122,165)	(203,884)	218,346	(107,703)	(356,186)	(240,132)
Non-operating revenue:						
Investment income, net (Note 3)			211,625	211,625	94,058	592,161
Change in net assets	(122,165)	(203,884)	429,971	103,922	(262,128)	352,029
Net assets - beginning of year	763,423	224,633	3,436,607	4,424,663	3,459,905	7,532,539
Net assets - end 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>

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, 2020
(With comparative totals for the year ended December 31, 2019)

	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 12/31/20	Total Expenses 12/31/19
Salaries	\$48,218	\$41,436	\$59,694	\$20,455	\$169,803	\$33,792	\$30,063	\$63,855	\$233,658	\$194,733
Payroll taxes and benefits	10,667	9,168	13,207	4,526	37,568	7,476	6,651	14,127	51,695	42,345
	58,885	50,604	72,901	24,981	207,371	41,268	36,714	77,982	285,353	237,078
Cultural grants	537,006	277,771			814,777			0	814,777	1,549,585
Fellowships		72,894	171,741		244,635			0	244,635	394,810
Event production (Note 10)					0		167,596	167,596	167,596	601,294
Chapter expense	5,000	8,137		9,713	22,850			0	22,850	92,248
Professional fees					0	96,039		96,039	96,039	60,704
Occupancy	11,647	10,009	14,419	4,941	41,016	8,162	7,262	15,424	56,440	54,321
Other expenses		123			123	13,997		13,997	14,120	39,756
Office supplies	8,640	7,425	10,696	3,666	30,427	6,053	5,387	11,440	41,867	12,908
Postage and shipping	68	58	83	29	238	46	42	88	326	3,566
Insurance	1,396	1,199	1,727	592	4,914	977	870	1,847	6,761	6,533
Telephone	1,327	1,140	1,642	563	4,672	928	827	1,755	6,427	6,542
Office equipment	1,360	1,170	1,686	578	4,794	956	850	1,806	6,600	5,184
Travel	237	203	292	100	832	165	147	312	1,144	6,032
Depreciation	265	229	330	113	937	187	166	353	1,290	0
Bad debt					0	5,101		5,101	5,101	2,717
Total expenses	625,831	430,962	275,517	45,276	1,377,586	173,879	219,861	393,740	1,771,326	3,073,278
Less: direct event expenses netted with revenue					0		(26,666)	(26,666)	(26,666)	(411,290)
Total expenses for statement of activities	\$625,831	\$430,962	\$275,517	\$45,276	\$1,377,586	\$173,879	\$193,195	\$367,074	\$1,744,660	\$2,661,988

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, 2020
(With comparative totals for the year ended December 31, 2019)

	<u>12/31/20</u>	<u>12/31/19</u>
Cash flows from operating activities:		
Change in net assets	(\$158,206)	\$352,029
Adjustments to reconcile changes in net assets to net cash used for operating activities:		
Realized and unrealized gain on investments	(331,261)	(616,098)
Depreciation	1,290	0
Changes in assets and liabilities:		
Contributions receivable, net	354,026	(26,249)
Student loans receivable, net	70,986	13,576
Prepaid expenses and other assets	8,611	(1,613)
Accounts payable and accrued expenses	44,534	(812,607)
Deferred revenue	7,655	(5,265)
Net cash used for operating activities	<u>(2,365)</u>	<u>(1,096,227)</u>
Cash flows from investing activities:		
Purchase of fixed assets	(7,741)	0
Proceeds from sales of investments	4,144,875	4,477,086
Purchase of investments	(4,270,171)	(4,574,386)
Net cash used for investing activities	<u>(133,037)</u>	<u>(97,300)</u>
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	43,112	0
Net cash provided by investing activities	<u>43,112</u>	<u>0</u>
Net decrease in cash and cash equivalents	(92,290)	(1,193,527)
Cash and cash equivalents - beginning of year	<u>1,850,057</u>	<u>3,043,584</u>
Cash and cash equivalents - end of year	<u><u>\$1,757,767</u></u>	<u><u>\$1,850,057</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, 2020

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.

	<u>12/31/20</u>	<u>12/31/19</u>
Friends fund	\$20,749	\$224,633
Student loans	445,931	445,931
Funds held for long term	<u>3,420,647</u>	<u>2,990,676</u>
Total	<u>\$3,887,327</u>	<u>\$3,661,240</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 the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2018-08 ("Topic 605") for recording contributions. 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 restriction. 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 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.

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 2020 and 2019, 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 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, 2019, 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, 2017 and later are subject to examination by applicable taxing authorities.

l. New Accounting Pronouncements

FASB issued 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 statement of activities and additional disclosures.

In addition, 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.

Management 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>12/31/20</u>	<u>12/31/19</u>
Cash	\$5,271,205	\$0
Mutual funds:		
U.S. large index	0	1,650,093
Mutual funds – bonds	0	788,847
U.S. small cap	0	765,941
International large cap	0	599,957
Energy/ natural resources	0	366,439
Growth real estate	0	356,728
Aggressive international	0	287,035
Equity securities	<u>392</u>	<u>0</u>
Total	<u>\$5,271,597</u>	<u>\$4,815,040</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>12/31/20</u>	<u>12/31/19</u>
Realized and unrealized gain on investments	\$331,261	\$616,098
Investment fees	<u>(25,578)</u>	<u>(23,937)</u>
Total	<u>\$305,683</u>	<u>\$592,161</u>

Note 4 - Contributions Receivable

Contributions receivable at December 31, 2020 are due to be collected as follows:

Year ending:	December 31, 2021	\$309,068
	December 31, 2022	<u>250,000</u>
Total		<u>\$559,068</u>

Due to its immaterial nature, a discount to present value has not been recorded.

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 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 Planten & Pluygers Fund, and the Samuel Freeman Program.

Student loans receivable at December 31, 2020 are due to be collected as follows:

Year ending:	December 31, 2021	\$302,352
	December 31, 2022	75,000
	December 31, 2023	<u>60,000</u>
		437,352
Allowance for doubtful accounts		<u>(72,135)</u>
Student loan receivable – net of allowance		<u>\$365,217</u>

Note 6 - 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. 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 predetermined historical periods, that the loan, or a portion thereof, will be forgiven.

The Organization has opted to treat the Paycheck Protection Program proceeds as a loan payable in accordance with FASB ASC 470. Under this treatment, the proceeds from the loan will 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.

Subsequent to year-end, on March 8, 2021, the Foundation received a second Paycheck Protection Program loan from the SBA for \$48,075.

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>12/31/20</u>	<u>12/31/19</u>
With donor restrictions:		
Funds held – beginning of year	\$1,378,433	\$1,252,193
Investment income	32,486	48,564
Net realized and unrealized gains on investments	94,058	187,706
Appropriation for expenditure	<u>(99,817)</u>	<u>(110,030)</u>
Funds held – end of year	<u>\$1,405,160</u>	<u>\$1,378,433</u>

Note 9 - Net Assets With Donor Restrictions

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

	<u>12/31/20</u>	<u>12/31/19</u>
Reuvers Educational Fund	\$1,405,160	\$1,378,433
Planten & Pluygers Fund	36,208	35,494
Fellowships	557,253	565,253
Carillon Fund	430,889	434,899
Dekker-Padget	266,027	298,472
Awards and others	<u>2,240</u>	<u>2,354</u>
Total program restrictions	2,697,777	2,714,905
Time restrictions	<u>500,000</u>	<u>745,000</u>
Total	<u>\$3,197,777</u>	<u>\$3,459,905</u>

Net assets were released from restriction for the following:

	<u>12/31/20</u>	<u>12/31/19</u>
Reuvers Educational Fund	\$99,817	\$110,030
Planten & Pluygers Fund	0	2,717
Fellowships	114,000	205,643
Carillon Fund	4,010	688,573
Dekker-Padget	164,396	120,252
Awards and others	<u>614</u>	<u>9,010</u>
Total program	382,837	1,136,225
Time restrictions	<u>250,000</u>	<u>0</u>
Total	<u>\$632,837</u>	<u>\$1,136,225</u>

Note10 - Special Events Income

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

	<u>December 31, 2020</u>				
	<u>Peter Stuyvesant 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>

	December 31, 2019				
	Peter Stuyvesant Ball	NAF Gala Awards Dinner	NAF Friendship Gala	Other	Total
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>

Note 11 - Operating Lease Commitment

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

Year ending:	December 31, 2021	\$51,986
	December 31, 2022	<u>44,180</u>
Total		<u>\$96,166</u>

Total rent expense was \$56,440 and \$54,321 for 2020 and 2019, 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 their date of hire. The Foundation can make contributions to the plan at the Board of Directors' discretion. For the year ended December 31, 2020, the Foundation made contributions totaling \$3,810. For the year ended December 31, 2019, the Foundation elected not to do so.

Note 13 - Liquidity and Availability of Financial Resources

The following reflects the Foundation's financial assets at December 31, 2020, 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	\$1,757,767	
Investments	5,271,597	
Contributions receivable due in less than one year	309,068	
Student loans receivable due in less than one year, net	<u>302,352</u>	
Total financial assets		\$7,640,784
Less amounts not available to be used within one year:		
Contributions restricted – purpose restrictions	(2,697,777)	
Restricted by board designations	(3,887,327)	
Funds held for custodial accounts	<u>(19,000)</u>	
Total not available to be used within one year:		<u>(6,604,104)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$1,036,680</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 14 - Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through May 7, 2021, the date the financial statements were available to be issued. All events that 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 have been made.

Note 15 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus 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 impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. It is unknown how long these conditions will last and what the complete financial effect will be. 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, 2020

	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		\$714			\$131,951	\$500	\$133,165	\$5,000	\$138,165
Special events income, net			\$106,000				106,000		106,000
Interest and dividends	\$32,486						32,486		32,486
Total support and revenue	32,486	714	106,000	0	131,951	500	271,651	5,000	276,651
Satisfaction of program restrictions:									
Student fellowships	74,231		114,000		126,852		315,083		315,083
Fees and other expenses	25,586			4,010	37,544	614	67,754	250,000	317,754
Total program restrictions	99,817	0	114,000	4,010	164,396	614	382,837	250,000	632,837
Change in net assets with donor restrictions	(67,331)	714	(8,000)	(4,010)	(32,445)	(114)	(111,186)	(245,000)	(356,186)
Non-operating revenue:									
Investment income, net	94,058						94,058		94,058
Change in net assets	26,727	714	(8,000)	(4,010)	(32,445)	(114)	(17,128)	(245,000)	(262,128)
Net assets - beginning of year	1,378,433	35,494	565,253	434,899	298,472	2,354	2,714,905	745,000	3,459,905
Net assets - end of year	<u>\$1,405,160</u>	<u>\$36,208</u>	<u>\$557,253</u>	<u>\$430,889</u>	<u>\$266,027</u>	<u>\$2,240</u>	<u>\$2,697,777</u>	<u>\$500,000</u>	<u>\$3,197,777</u>