

Netherland-America Foundation, Inc.

Audited Financial Statements

December 31, 2025

Netherland-America Foundation, Inc.

Audited Financial Statements

December 31, 2025

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Independent Auditor's Report

To the Board of Directors of
The Netherland-America Foundation, Inc.

Opinion

We have audited the financial statements of The Netherland-America Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2025, 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 the Foundation as of December 31, 2025, 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 Auditor's 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.

Auditor's Responsibilities 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 Auditor's 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 GAAS 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 the Foundation's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 13, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 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.



New York, NY
July 7, 2026

Netherland-America Foundation, Inc.

Statement of Financial Position

As of December 31, 2025
(With comparative totals as of December 31, 2024)

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 8,716,483	\$ 2,513,691
Investments	7,360,887	6,823,880
Contributions receivable, net	343,686	626,117
Student loans receivable, net	512,196	435,639
Prepaid expenses and other assets	40,937	29,145
Property and equipment, net	49,290	-
Operating lease-right-of-use asset	191,600	37,091
TOTAL ASSETS	\$ 17,215,079	\$ 10,465,563
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 197,239	\$ 170,334
Operating lease liabilities	192,019	38,151
Custodial accounts	19,000	19,000
Total liabilities	408,258	227,485
NET ASSETS		
Without donor restrictions:		
Operations	411,716	458,696
Board designated:		
Friends fund	7,077,599	1,175,258
Funds held for long-term investment	6,405,213	5,492,504
Total net assets without donor restrictions	13,894,528	7,126,458
With donor restrictions	2,912,293	3,111,620
Total net assets	16,806,821	10,238,078
TOTAL LIABILITIES AND NET ASSETS	\$ 17,215,079	\$ 10,465,563

The attached notes and auditor's report are an integral part of these financial statements.

Netherland-America Foundation, Inc.

Statement of Activities

For the Year Ended December 31, 2025
(With comparative totals for the year ended December 31, 2024)

	Without Donor Restrictions						
	Operations	Board Designated Friends Fund	Funds Held For long Term & Student loans	Total Without Donor Restrictions	Total With Donor Restrictions	Total 12/31/25	Total 12/31/24
PUBLIC SUPPORT AND REVENUE							
Contributions, grants and other gifts	\$ 356,788	\$ 9,215,161	\$ 85,912	\$ 9,657,861	\$ 620,724	\$ 10,278,585	\$ 5,249,029
Special events income (net of expenses with a direct benefit to donor)	368,181	-	-	368,181	283,075	651,256	799,434
In-kind contributions	132,012	-	-	132,012	-	132,012	128,080
Interest and dividends	54,165	-	148,824	202,989	34,587	237,576	182,176
Student loan interest	1,376	-	-	1,376	-	1,376	5,083
Other	71,558	-	-	71,558	-	71,558	114,818
Foreign exchange gain/(loss)	57,842	-	-	57,842	-	57,842	(10,658)
	<u>1,041,922</u>	<u>9,215,161</u>	<u>234,736</u>	<u>10,491,819</u>	<u>938,386</u>	<u>11,430,205</u>	<u>6,467,962</u>
Net assets released from restrictions	1,043,063	200,000	70,410	1,313,473	(1,313,473)	-	-
Total public support and revenue	<u>2,084,985</u>	<u>9,415,161</u>	<u>305,146</u>	<u>11,805,292</u>	<u>(375,087)</u>	<u>11,430,205</u>	<u>6,467,962</u>
EXPENSES							
Program services:							
Educational program	46,495	1,146,394	-	1,192,889	-	1,192,889	1,104,609
Cultural and historical program	225,686	2,366,426	-	2,592,112	-	2,592,112	3,187,665
Student fellowships program	491,845	-	-	491,845	-	491,845	486,947
Internship program	602,884	-	-	602,884	-	602,884	612,683
Total program services	<u>1,366,910</u>	<u>3,512,820</u>	<u>-</u>	<u>4,879,730</u>	<u>-</u>	<u>4,879,730</u>	<u>5,391,904</u>
Supporting services:							
Management and general	358,548	-	-	358,548	-	358,548	350,517
Fundraising	478,733	-	-	478,733	-	478,733	506,616
Total supporting services	<u>837,281</u>	<u>-</u>	<u>-</u>	<u>837,281</u>	<u>-</u>	<u>837,281</u>	<u>857,133</u>
Total expenses	<u>2,204,191</u>	<u>3,512,820</u>	<u>-</u>	<u>5,717,011</u>	<u>-</u>	<u>5,717,011</u>	<u>6,249,037</u>
Change in net assets from operations	(119,206)	5,902,341	305,146	6,088,281	(375,087)	5,713,194	218,925
NON-OPERATING REVENUE							
Transfers	72,226	-	(72,226)	-	-	-	-
Investment return	-	-	679,789	679,789	175,760	855,549	528,534
Total non-operating revenue	<u>72,226</u>	<u>-</u>	<u>607,563</u>	<u>679,789</u>	<u>175,760</u>	<u>855,549</u>	<u>528,534</u>
Change in net assets	<u>(46,980)</u>	<u>5,902,341</u>	<u>912,709</u>	<u>6,768,070</u>	<u>(199,327)</u>	<u>6,568,743</u>	<u>747,459</u>
NET ASSETS, beginning of year	<u>458,696</u>	<u>1,175,258</u>	<u>5,492,504</u>	<u>7,126,458</u>	<u>3,111,620</u>	<u>10,238,078</u>	<u>9,490,619</u>
NET ASSETS, end of year	<u>\$ 411,716</u>	<u>\$ 7,077,599</u>	<u>\$ 6,405,213</u>	<u>\$ 13,894,528</u>	<u>\$ 2,912,293</u>	<u>\$ 16,806,821</u>	<u>\$ 10,238,078</u>

The attached notes and auditor's report are an integral part of these financial statements.

Netherland-America Foundation, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2025
(With comparative totals for the year ended December 31, 2024)

	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 12/31/25	Total Expenses 12/31/24
Salaries	\$ 27,058	\$ 41,212	\$ 52,171	\$ 67,854	\$ 188,295	65,401	167,944	\$ 233,345	\$ 421,640	\$ 427,131
Payroll taxes and benefits	4,468	6,805	8,614	11,204	31,091	10,799	27,731	38,530	69,621	84,657
	31,526	48,017	60,785	79,058	219,386	76,200	195,675	271,875	491,261	511,788
Cultural Grants	1,146,394	2,519,538	-	-	3,665,932	-	-	-	3,665,932	4,118,208
Fellowships and internships	-	-	373,371	464,713	838,084	-	-	-	838,084	853,517
Event production and promotion	-	-	-	-	-	-	605,857	605,857	605,857	654,631
Chapter and other event expense	-	-	-	-	-	-	16,080	16,080	16,080	148,811
Professional fees	5,569	8,482	10,737	13,965	38,753	259,632	34,565	294,197	332,950	362,555
Occupancy	3,020	4,600	5,823	7,573	21,016	7,300	18,745	26,045	47,061	48,030
Other	1,370	3,844	5,470	23,645	34,329	3,308	8,495	11,803	46,132	41,244
Training	22	33	42	55	152	53	135	188	340	-
Dues and subscriptions	161	245	311	404	1,121	389	1,000	1,389	2,510	8,646
Marketing	1,569	2,390	3,025	5,043	12,027	3,792	9,738	13,530	25,557	12,310
Office supplies	402	613	776	1,009	2,800	973	2,498	3,471	6,271	14,684
Postage and shipping	71	108	136	177	492	171	438	609	1,101	2,065
Insurance	599	913	1,155	1,503	4,170	1,448	3,719	5,167	9,337	8,212
Telephone	135	205	259	337	936	325	835	1,160	2,096	3,519
Office equipment	1,918	2,922	3,699	4,810	13,349	4,636	11,906	16,542	29,891	24,580
Travel	133	202	26,256	333	26,924	321	824	1,145	28,069	34,072
Bad debt	-	-	-	259	259	-	-	-	259	-
Total expenses	1,192,889	2,592,112	491,845	602,884	4,879,730	358,548	910,510	1,269,058	6,148,788	6,846,872
Less: direct event expenses netted with revenue	-	-	-	-	-	-	(431,777)	(431,777)	(431,777)	(597,835)
Total expenses for statement of activities	\$ 1,192,889	\$ 2,592,112	\$ 491,845	\$ 602,884	\$ 4,879,730	\$ 358,548	\$ 478,733	\$ 837,281	\$ 5,717,011	\$ 6,249,037

The attached notes and auditor's report are an integral part of these financial statements.

Netherland-America Foundation, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2025
(With comparative totals for the year ended December 31, 2024)

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,568,743	\$ 747,459
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments	(896,470)	(566,339)
Changes to operating lease right-of-use asset and liability	(641)	(193)
Changes in assets and liabilities:		
Contributions receivable, net	282,431	23,758
Student loans receivable, net	(76,557)	(12,168)
Prepaid expenses and other assets	(11,792)	9,686
Accounts payable and accrued expenses	26,905	51,160
Net cash flows provided by operating activities	<u>5,892,619</u>	<u>253,363</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(49,290)	-
Proceeds from sales of investments	3,671,434	3,527,057
Purchase of investments	(3,311,971)	(3,656,073)
Net cash flows provided by/(used for) investing activities	<u>310,173</u>	<u>(129,016)</u>
Net increase in cash and cash equivalents	6,202,792	124,347
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>2,513,691</u>	<u>2,389,344</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 8,716,483</u>	<u>\$ 2,513,691</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for interest and taxes	<u>\$ -</u>	<u>\$ -</u>

The attached notes and auditor's report are an integral part of these financial statements.

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 1 - Organization

For over 100 years, the Netherland-America Foundation, Inc. (the "Foundation") has promoted the bonds between the USA and the Netherlands through educational, cultural, and business exchanges. The Foundation seeks to further strengthen the bonds between the two countries to foster mutual understanding. As part of its mission, among other things, the Foundation has the following programs:

Cultural 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.

Educational Program: 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 or internship in the Netherlands.

The Foundation's primary sources of revenue are contributions and special event revenue.

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 and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred rather than received or paid.

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 -*Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires the Foundation to report information regarding its financial position and activities according to the following specific 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, which consists of cash, 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.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

b. Revenue Recognition

The Foundation follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized at the time a contribution 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. Conditional pledges that have not been recognized amounted to \$1,309,183 at December 31, 2025.

Special event revenue is comprised of payments received from third parties to support and/or attend fundraising events. Special event revenue includes an exchange transaction component for the value of the goods or services rendered, which follows revenue recognition guidance under FASB ASC 606. The amount paid by third parties that is above the value of goods or services is considered a contribution. Revenue is recognized at the time the fundraising event occurs.

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.

The Organization states student loans receivable at the amount it expects to collect from outstanding balances. Expected credit losses on student loans receivable are estimated based on historical credit loss experience, aging analysis and management's assessment of current conditions and reasonable execution of future conditions. Based on that evaluation, management has determined that an allowance for credit losses is warranted in the amount of \$2,350 and \$7,499 at December 31, 2025 and 2024, respectively.

c. Cash and Cash Equivalents

Checking and money market accounts with banks and highly liquid financial 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.

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

d. 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. The Foundation maintains its cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 each. At times and at year end, 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.

e. Investments and Investment Income

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.

f. Leases

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in Right of Use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The change in operating lease right-of-use asset and liability on the statement of cash flows includes the amortization of the ROU asset and cash payments for leases offset by the accretion of the discounted lease liability. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. The Foundation elected the practical expedient to not separate lease and non-lease components for all leases.

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

g. Comparative Financial 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. Such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

h. In-kind Support

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

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

i. Functional Allocation of Expenses

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

The following costs are allocated by time and effort:

- 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 service.

j. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

k. Advertising Costs

Advertising costs are expensed as incurred.

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

I. Accounting for Uncertainty of Income Taxes

The Foundation does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2022 and later are subject to examination by applicable taxing authorities.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following summarizes the composition of investments, which are all Level 1:

	December 31,	
	2025	2024
Exchange traded funds	\$ 7,209,781	\$ 6,711,892
Money market funds and other cash	151,106	111,988
Total	<u>\$ 7,360,887</u>	<u>\$ 6,823,880</u>

The fair value of exchange traded funds were determined using Level 1 inputs, which were based on quoted prices in active markets. Management believes the fair value of these investments to be a reasonable approximation of their exit price. 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 return consists of the following:

	December 31,	
	2025	2024
Realized and unrealized gain/(loss)	\$ 896,470	\$ 566,339
Investment fees	(40,921)	(37,805)
Total	<u>\$ 855,549</u>	<u>\$ 528,534</u>

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 4 - Contributions Receivable

Contributions receivable at December 31, 2025 and 2024 are due to be collected as follows:

		December 31,	
		2025	2024
Year ending:			
	December 31, 2025	\$ -	\$ 371,082
	December 31, 2026	264,302	237,000
	December 31, 2027	22,000	22,000
	December 31, 2028	37,000	22,003
	December 31, 2029	15,000	-
	December 31, 2030	15,000	-
		<u>353,302</u>	<u>652,085</u>
Less: present value discount		(9,616)	(25,968)
Total		<u>\$ 343,686</u>	<u>\$ 626,117</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 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 & Puygers Fund, and the donor restricted Samuel Freeman Program.

Student loans receivable at December 31, 2025 and 2024 are due to be collected as follows:

		December 31,	
		2025	2024
Year ending:			
	December 31, 2025	\$ 112,527	\$ 117,391
	December 31, 2026	118,634	103,459
	December 31, 2027	122,777	103,312
	December 31, 2028	71,545	79,080
	December 31, 2029	52,916	24,375
	Thereafter	36,147	15,521
		<u>514,546</u>	<u>443,138</u>
Allowance for credit losses		(2,350)	(7,499)
Student loans receivable - net of allowance		<u>\$ 512,196</u>	<u>\$ 435,639</u>

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 6 - Operating Lease Right-of-Use Asset and Operating Lease Liability

The Foundation evaluated current contracts to determine which met the criteria of a lease. The Foundation leases office space in New York, NY and storage space under agreements that commenced on November 1, 2022. Effective November 1, 2025, the Foundation entered into an amended lease agreement for the same office space and storage space, extending the lease term through October 31, 2030. In addition, the Foundation leases a postage machine lease, which expires on December 15, 2027. All current contracts were determined to be an operating lease.

The ROU assets represent the Foundation's right to use the underlying asset for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. As of December 31, 2025 and 2024, the weighted-average remaining lease term for the Foundation's operating lease was 4.81 years and 8.92 years, respectively. The Foundation has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2025 and 2024 was 3.72% and 4.15%, respectively.

For the years ended December 31, 2025 and 2024, total operating lease cost was \$7,965 and \$43,604, respectively.

Cash paid for operating leases for the year ended December 31, 2025 and 2024 was \$7,547 and \$43,797, respectively. There were no noncash investing and financing transactions related to leasing.

The aggregate future minimum lease payments due under these operating leases as of December 31, 2025 are as follows:

Year ending:

December 31, 2026	\$ 41,612
December 31, 2027	42,773
December 31, 2028	43,325
December 31, 2029	44,625
December 31, 2030	38,113
Total	<u>210,448</u>
Less: present value discount	<u>(18,429)</u>
Total lease liability at December 31, 2025	<u>\$ 192,019</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 Foundation's awards dinner.

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 8 - 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 restricted for the educational fund. This activity is reflected in the "with donor restrictions" class of net assets.

Interpretation of Relevant Law

The Foundation follows the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), which the board of directors has interpreted to require certain amounts be retained permanently. Absent explicit donor stipulations to the contrary, the Foundation will preserve the fair value of the original gift as of the gift date of all donor-restricted endowment funds. However, under certain circumstances, the Foundation has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA. As a result of this interpretation, the Foundation classifies donor restricted net assets as (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Spending Policies

Net assets are released from restriction based on actual spending plus indirect expenses calculated at a rate not to exceed 8% of the annual average of the fair value of investments for the prior twelve quarters. In accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation;
7. The investment policies of the Foundation;
8. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Foundation.

Endowment Investment Policies

The Foundation has adopted an investment policy for endowment assets that relies on the accumulation of interest, dividends, and other market value gains for future appropriation.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2025 or 2024.

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 8 - Term Endowment - Reuvers Educational Fund - Continued

The following outlines the term endowment activity:

	December 31,	
	2025	2024
With donor restrictions:		
Funds held - beginning of year	\$ 1,331,384	\$ 1,291,270
Investment income	34,587	28,319
Net realized and unrealized gain on investments	175,760	111,343
Appropriation for expenditure	(88,559)	(99,548)
Funds held - end of year	<u>\$ 1,453,172</u>	<u>\$ 1,331,384</u>

Note 9 - Net Assets With Donor Restrictions

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

	December 31,	
	2025	2024
Reuver Educational Fund	\$ 1,453,172	\$ 1,331,384
Planten & Pluygers Fund	25,168	25,427
Fellowships and internships	1,143,689	1,192,375
Carillon Fund	50	50
Dekker-Padget	90,214	56,153
Cultural and Historical Programming	-	100,000
Website	-	17,717
Total program	<u>2,712,293</u>	<u>2,723,106</u>
Time restrictions	<u>200,000</u>	<u>388,514</u>
Total	<u>\$ 2,912,293</u>	<u>\$ 3,111,620</u>

Net assets were released from restriction for the following:

	December 31,	
	2025	2024
Reuver Educational Fund	\$ 88,559	\$ 99,548
Planten & Pluygers Fund	259	-
Fellowships	365,745	407,710
Dekker-Padget	541,193	483,354
Website	17,717	-
Culture Fund	100,000	-
Total program	<u>1,113,473</u>	<u>990,612</u>
Time restrictions	<u>200,000</u>	<u>200,000</u>
Total	<u>\$ 1,313,473</u>	<u>\$ 1,190,612</u>

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

Note 10 - Special Events Income

Special events activity was comprised of the following:

	December 31, 2025				
	NAF Ball	NAF Ambassador Award Dinner	NAF Friendship Gala	Other	Total
Gross revenue	\$ 691,986	\$ 179,279	\$ 129,246	\$ 82,522	\$ 1,083,033
Less: expenses where donor receives a direct benefit	(281,585)	(66,038)	(31,271)	(52,883)	(431,777)
	410,401	113,241	97,975	29,639	651,256
Less: other event expenses	(119,311)	(32,820)	(23,793)	(14,233)	(190,157)
Total fundraising event	\$ 291,090	\$ 80,421	\$ 74,182	\$ 15,406	\$ 461,099

	December 31, 2024				
	NAF Ball	NAF Ambassador Award Dinner	NAF Friendship Gala	Other	Total
Gross revenue	\$ 841,542	\$ 206,790	\$ 137,105	\$ 211,832	\$ 1,397,269
Less: expenses where donor receives a direct benefit	(304,465)	(65,913)	(87,559)	(139,898)	(597,835)
	537,077	140,877	49,546	71,934	799,434
Less: other event expenses	(91,667)	(33,479)	(24,798)	(55,663)	(205,607)
Total fundraising event	\$ 445,410	\$ 107,398	\$ 24,748	\$ 16,271	\$ 593,827

Note 11 - In-Kind Donations

Donated services are recognized in circumstances where those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided in-kind.

In 2025, the Foundation received donated legal services totaling \$102,080 and donated flight vouchers totaling \$29,932. There were donated flight vouchers totaling \$26,000 during fiscal year 2024.

Donated legal and other services, which are included in general and administrative on the statement of functional expenses, are valued at the standard hourly rates charged for those services. Donated flight vouchers, which are included in program expense on the statement of functional expenses, are valued at the average flight cost.

Netherland-America Foundation, Inc.

Notes to Financial Statements

December 31, 2025

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 years ended December 31, 2025 and 2024, the Foundation made contributions totaling \$7,239 and \$11,178, respectively.

Note 13 - Liquidity and Availability of Financial Resources

The following reflects the Foundation's financial assets at December 31, 2025, 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	\$	8,716,483	
Investments		7,360,887	
Contributions receivable		264,302	
Student loans receivable, net		112,527	
Total financial assets			\$ 16,454,199
Less amounts not available to be used within one year:			
Net assets restricted - purpose restrictions		(2,712,293)	
Restricted by board designations		(13,482,812)	
Funds held for custodial accounts		(19,000)	
Total not available to be used within one year			(16,214,105)
Financial assets available to meet cash needs for general expenditures within one year			\$ 240,094

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 - Significant Concentrations

The Foundation is dependent upon contributions from individuals, foundations, and corporate gifts, as well as donations raised during their annual fundraising events. The Foundation received a donation of \$5,850,000 from an unrelated donor, which represents 53% of total public support for the year ended December 31, 2025. There was no significant concentration from this unrelated donor during the year ended December 31, 2024.

Note 15 - Subsequent Events

Subsequent events have been evaluated through July 7, 2026, the date the financial statements were available to be issued. In February 2026, the Foundation distributed substantially all of the \$5,850,000 contribution received from an unrelated donor in 2025, in accordance with the Friends Fund guidelines. No other events have occurred subsequent to year-end that require adjustment to, or disclosure in, the financial statements.

Netherland-America Foundation, Inc.

Schedule of Changes in Net Assets With Donor Restrictions

For the Year Ended December 31, 2025

	Reuvers Educational Fund	Planten & Pluygers Fund	Fellowships/ Internships/ Student Loans	Carillon Fund	Cultural & Historical Programming	Website	Dekker- Padget	Time	Total
Support and revenue:									
Contributions, grants and other gifts	\$ -	\$ -	\$ 33,984	\$ -	\$ -	\$ -	\$ 575,254	\$ 11,486	\$ 620,724
Special events income, net	-	-	283,075	-	-	-	-	-	283,075
Interest and dividends	34,587	-	-	-	-	-	-	-	34,587
Total support and revenue	34,587	-	317,059	-	-	-	575,254	11,486	938,386
Satisfaction of program restrictions:									
Fellowships, internships, and culture	70,000	-	220,595	-	100,000	-	441,173	-	831,768
Fees and other expenses	18,559	259	145,150	-	-	17,717	100,020	-	281,705
Total satisfaction of program restrictions	88,559	259	365,745	-	100,000	17,717	541,193	-	1,113,473
Satisfaction of time restrictions	-	-	-	-	-	-	-	200,000	200,000
Change in net assets with donor restrictions from operations	(53,972)	(259)	(48,686)	-	(100,000)	(17,717)	34,061	(188,514)	(375,087)
Non-operating revenue:									
Investment return, net	175,760	-	-	-	-	-	-	-	175,760
Change in net assets	121,788	(259)	(48,686)	-	(100,000)	(17,717)	34,061	(188,514)	(199,327)
Net assets with donor restrictions - <i>beginning of year</i>	1,331,384	25,427	1,192,375	50	100,000	17,717	56,153	388,514	3,111,620
Net assets with donor restrictions - <i>end of year</i>	\$ 1,453,172	\$ 25,168	\$ 1,143,689	\$ 50	\$ -	\$ -	\$ 90,214	\$ 200,000	\$ 2,912,293