



## FINANCIAL STATEMENTS

Year Ended December 31, 2019

*With Summarized Financial Information  
For the Year Ended December 31, 2018*

With Report of Independent Auditors



John Vazzana CPA PLLC



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## Independent Auditor's Report

To the Board of Directors of  
The French-American Foundation

We have audited the accompanying financial statements of The French-American Foundation which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the organization's December 31, 2018 financial statements and, in our report dated October 15, 2019, we expressed an unqualified opinion on those 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 of 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 organization as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*John Vazzana CPA PLLC*

Brooklyn, New York

October 30, 2020

# The French-American Foundation

## Statement of Financial Position

December 31, 2019

(With Summarized Financial Information for December 31, 2018)

### ASSETS

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 344,075	\$ 78,522
Investments	2,922,117	2,684,913
Pledges receivable	260,754	354,053
Prepaid expenses	6,243	4,641
Property and equipment (net)	-	476
Other assets	694,000	694,000
Security deposit	<u>22,912</u>	<u>22,912</u>
<b>Total Assets</b>	<b><u>\$ 4,250,101</u></b>	<b><u>\$ 3,839,517</u></b>

### LIABILITIES & NET ASSETS

	<u>2019</u>	<u>2018</u>
Accrued expenses	\$ 32,396	\$ 26,617
Deferred rent	<u>1,219</u>	<u>1,719</u>
<b>Total Liabilities</b>	<b><u>33,615</u></b>	<b><u>28,336</u></b>
Net Assets		
Without donor restrictions		
Undesignated	1,033,615	791,023
Board designated	<u>2,922,117</u>	<u>2,684,004</u>
Total without donor restrictions	3,955,732	3,475,027
With donor restrictions	<u>260,754</u>	<u>336,154</u>
<b>Total Net Assets</b>	<b><u>4,216,486</u></b>	<b><u>3,811,181</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 4,250,101</u></b>	<b><u>\$ 3,839,517</u></b>

**The French-American Foundation**  
**Statement of Activities**

**For year ended December 31, 2019**

(With Summarized Financial Information for December 31, 2018)

	Without donor restrictions	With donor restrictions	2019 Total	2018 Total
<b>Revenues, Gains, and Other Support</b>				
General contributions	\$ 302,832	\$ 260,754	\$ 563,586	\$ 651,992
Special events revenue and contributions	602,745	-	602,745	510,925
Direct event expenses	(156,006)	-	(156,006)	(162,537)
Other income	42,024	-	42,024	31,546
Investment income	71,239	-	71,239	71,005
Realized gains (losses)	41,482	-	41,482	39,479
Unrealized gains (losses)	354,347	-	354,347	(228,013)
In-kind contributions	9,745	-	9,745	-
Net assets released from restrictions	336,154	(336,154)	-	-
<b>Total Revenues, Gains, and Other Support</b>	<b>1,604,562</b>	<b>(75,400)</b>	<b>1,529,162</b>	<b>914,397</b>
<b>Expenses:</b>				
Program services	862,816	-	862,816	689,937
Management and general	211,321	-	211,321	363,293
Fundraising	49,720	-	49,720	74,774
<b>Total Expenses</b>	<b>1,123,857</b>	<b>-</b>	<b>1,123,857</b>	<b>1,128,004</b>
<b>Changes in Net Assets</b>	<b>480,705</b>	<b>(75,400)</b>	<b>405,305</b>	<b>(213,607)</b>
<b>Net Assets at Beginning of Year</b>	<b>3,475,027</b>	<b>336,154</b>	<b>3,811,181</b>	<b>4,024,788</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,955,732</b>	<b>\$ 260,754</b>	<b>\$ 4,216,486</b>	<b>\$ 3,811,181</b>

**The French-American Foundation**  
**Statement of Cash Flows**

**For year ended December 31, 2019**

(With Summarized Financial Information for December 31, 2018)

	2019	2018
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Changes in Net Assets	\$ 405,305	\$ (213,607)
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation	476	1,251
Net realized and unrealized (gain)/loss on investments	(395,829)	188,534
Donated stock	(15,441)	(11,105)
Loss on uncollectable promises to give	-	470
Changes in operating assets and liabilities		
Decrease/(increase) in:		
Pledges receivable	93,299	204,071
Prepaid expenses	(1,602)	6,462
Increase/(decrease) in:		
Accrued expenses	5,779	(71,549)
Deferred rent	(500)	(40,136)
Net cash provided by/(used in) operating activities	91,487	64,391
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Decrease/(increase) in:		
Proceeds from sale of investments	265,215	334,335
Investments purchased and dividend reinvestments (net)	(91,149)	(455,046)
Increase in security deposit	-	(34)
Net cash provided by/(used in) investing activities	174,066	(120,745)
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase (decrease) in line of credit balance	-	-
Net cash provided by/(used in) financing activities	-	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	265,553	(56,354)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	78,522	134,876
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 344,075	\$ 78,522
<b>SUPPLEMENTAL CASH FLOWS INFORMATION:</b>		
Contribution of securities	\$ 15,441	\$ 11,105

## The French-American Foundation

### Statement of Functional Expenses

For year ended December 31, 2019

(With Summarized Financial Information for December 31, 2018)

	Program Services	Management and General	Fundraising	2019 Total	2018 Total
Compensation and benefits	\$ 386,438	\$ 94,213	\$ 29,899	\$ 510,550	\$ 636,852
Consulting and professional fees	99,426	74,812	-	174,238	144,396
Promotion and advertising	3,150	-	-	3,150	3,050
Office expense	3,252	2,167	1,641	7,060	5,935
Computer and website expenses	3,649	3,649	1,825	9,123	16,004
Occupancy	109,897	20,605	6,868	137,370	107,627
Transportation and lodging	7,127	-	-	7,127	39,554
Conference and meetings	50,965	-	-	50,965	92,417
Young leaders seminar	150,994	-	-	150,994	-
Depreciation	-	476	-	476	1,251
Insurance	2,714	4,461	-	7,175	6,750
Printing and design	537	537	1,612	2,686	6,131
Processing and service charges	1,256	2,513	2,513	6,282	11,875
Dues, subscriptions and fees	3,899	4,605	-	8,504	2,476
Photography and video	4,418	-	4,418	8,836	6,358
Bad debt expense	-	-	-	-	470
Equipment rental and maintenance	3,059	2,039	-	5,098	4,467
Postage and shipping	199	199	596	994	1,766
Telephone and internet	2,091	1,045	348	3,484	10,642
Grants, stipends and awards	20,000	-	-	20,000	29,983
<b>Expenses before in-kind</b>	<b>853,071</b>	<b>211,321</b>	<b>49,720</b>	<b>1,114,112</b>	<b>1,128,004</b>
Facilities (in-kind)	9,745	-	-	9,745	-
<b>Total expenses</b>	<b>\$ 862,816</b>	<b>\$ 211,321</b>	<b>\$ 49,720</b>	<b>\$ 1,123,857</b>	<b>\$ 1,128,004</b>

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 1 - Description of Organization**

**The French-American Foundation** (the “Organization” or “Foundation”) is a not-for-profit organization incorporated on August 1, 1975 in the state of Delaware. Building on more than two centuries of shared ideals between France and the United States, the Organization works to enrich a transatlantic relationship that is essential in today’s world. The Foundation addresses several current policy issues including education; immigration; security and defense; business and the economy; energy and the environment; urban development and renewal; health care; and cultural policy. Programs include its signature young leaders program, conferences, high-level professional exchanges, and study tours for leaders in government, business, academia, media, and culture, creating a rich network of people and ideas for action. Support for the organization’s programs is derived mainly from general contributions. The Organization is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Organization within Internal Revenue Code requirements.

**Note 2 - Significant Accounting Policies**

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations on an accrual basis. The significant accounting and reporting policies used by the organization are described below.

*Net Assets:* Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions: Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

All revenues and net gains are reported as increases in *Net Assets Without Donor Restrictions* in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses (other than losses on endowment investments) are reported as decreases in *Net Assets Without Donor Restrictions*.

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

*Cash Equivalents:* Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

*Land, Buildings, Property and Equipment:* Land, buildings, property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$3,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

*Functional Expense Recognition and Allocation:* The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities.

*Use of Estimates:* The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable; however, the actual results could differ from those estimates.

*Investments:* Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses.

*Advertising:* The Organization's direct advertising and promotion costs are charged to operations when incurred.

*Reclassifications:* Certain reclassifications have been made to the prior year's financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 3 - Revenue, Revenue Recognition and Accounting for Contributions**

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. At December 31, 2019 the organization had no conditional promises to give.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization recognized revenue from all its cost-reimbursement grants because the qualifying expenditures were incurred by year-end.

The Organization recognizes revenue from fees programs during the year in which the related services are provided. The performance obligation of delivering these services is simultaneously received and consumed by the participants; therefore, the revenue is recognized immediately. Regarding special event fundraisers, the Organization recognizes revenue from ticket sales at the time of admission. There were no payments received in advance of the services (or event) date and therefore no amounts are recorded as deferred revenue.

*Accounting for Contributions:* Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in *Net Assets Without Donor Restrictions* unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in *Net Assets With Donor Restrictions*, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase *Net Assets Without Donor Restrictions*.

*Gifts-in-Kind (Non-Cash Contributions):* The organization periodically receives contributions in a form other than cash or investments. If the organization receives a non-cash contribution, the contributed asset is recognized as an asset at its estimated fair value at the

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

*Promises to Give:* Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

**New Accounting Pronouncements:**

*Leases:* In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

**Note 4 - Liquidity**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	344,075
Investments	2,922,117
Pledges receivable	<u>260,754</u>
Total	<u>\$ 3,526,946</u>

As part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 5 - Fair Value Measurements**

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1:* Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- *Level 2:* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3:* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that a not-for-profit organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions). The primary uses of fair value measures in the organization's financial statements are the recurring measurement of investments.

**Note 6 - Pledges Receivable**

At December 31, 2019, all pledges receivable appear on the Statement of Financial Position net of an allowance for uncollectible accounts in the amount of \$3,500. Pledges receivable are expected by management to be collected during the next year.

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 7 - Investments**

Investments consist of the following as of December 31, 2019:

	<u>Fair Value</u>
Cash and sweep funds	69,490
Equity securities	1,513,722
Fixed income securities	1,220,505
Alternative assets	<u>118,400</u>
Total investments	<u>\$2,922,117</u>

As discussed in the above note to these financial statements, the organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the organization's valuation techniques.

- *Level 1:* This, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the measurement date. An open-ended mutual fund that produces a daily NAV that has a sufficient level of observable activity (i.e., purchases and sales at NAV) will support classification of the fair value measurement as Level 1 in the fair value hierarchy. In this case, the NAV represents the exit value of the security at the measurement date.
- *Level 2:* This is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near term.
- *Level 3:* This is for investments measured using inputs that are unobservable and is used in situations for which there is little, if any, market activity for the investment.

There were no significant transfers between the levels during the year. The following table summarizes the levels in the fair value hierarchy of the organization's investments at December 31, 2019:

	<u>Total</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Cash and sweep funds	69,490	69,490	-	-
Equity securities	1,513,722	1,513,722	-	-
Fixed income securities	1,220,505	1,220,505	-	-
Alternative assets	118,400	-	-	118,400
Total	<u>\$2,922,117</u>	<u>\$2,803,717</u>	<u>\$ -</u>	<u>\$ 118,400</u>

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

The composition of the investment return reported in the statement of activities is as follows:

Investment income	71,239
Net realized gains (losses)	41,482
Net unrealized gains (losses)	<u>354,338</u>
Total investment return	<u>\$ 467,059</u>

**Note 8 - Property and Equipment**

The following are details of property and equipment at December 31, 2019:

Furniture and equipment (5 years/straight line)	77,977
Less: accumulated depreciation	<u>77,977</u>
Net property and equipment	<u>\$ - 0-</u>

**Note 9 - Other Assets**

Other assets consist of a collection of Louis XV and Louis XVI furniture and decorative objects that were donated to the organization. The organization valued the items at fair market value, date of gift, which was determined by an independent appraisal in the amount of \$694,000.

**Note 10 - In-Kind support**

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. For the year ending December 31, 2019, the Organization benefited from in-kind facilities, supporting program services, which were valued by the organization at \$9,745.

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 11 - Retirement Plan**

The Organization has adopted a qualified deferred compensation plan under section 403(b) of the Internal Revenue Code. Under the plan, employees may elect to defer up to a maximum allowed under the terms of the plan and subject to Internal Revenue Code limits. The plan is funded solely by employee contributions to the plan, pursuant to a salary reduction agreement.

**Note 12 - Operating Lease Commitments**

In June 2010, the Organization entered into a 10-year operating lease commencing August 1, 2010 for its offices at 28 West 44 Street in New York City. Rent expense under the lease which is included in occupancy costs in the statement of functional expenses, was \$ 110,067 for the year ended December 31, 2019. The Foundation recognizes rent expense on the straight-line basis. The difference between rent expense incurred by the Organization on the straight-line basis and cash paid for rent is reported as a deferred rent in the statement of financial position. The amount of deferred rent at December 31, 2019 was \$ 1,219. There is a security deposit in the amount is \$22,912 being held by the landlord in conjunction with this lease.

The future minimum lease payments for the years ending December 31 are:

2020	65,132
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Additionally, the Organization has a commitment for a lease of office equipment which commenced in February 2017. The future minimum lease payments for the years ending December 31 are:

2020	3,651
2021	3,651
2022	609

Total future minimum rental payments are \$ 7,911.

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 13 - Net Assets**

The details for the donor restricted net assets for the year ending December 31, 2019 are as follows:

Name / Description	Details	Balance 01/01/2019	Donor restricted contributions	Net assets released from restrictions	Balance 12/31/2019
The Florence Gould Foundation	This contribution is time restricted for use in a future period. The Florence Gould Foundation's aim is to promote French-American amity and understanding.	200,000	200,000	(200,000)	200,000
Other	Other promises to give that are not restricted by donors, but which are unavailable for expenditure until received.	136,154	60,754	(136,154)	60,754
Total		\$ 336,154	\$ 260,754	\$ (336,154)	\$ 260,754

**Note 14 - Board Designated Net Assets**

The Organization's board has designated the assets held in its investment account as an operating reserve. The amount designated at December 31, 2019 was \$ 2,922,117.

**Note 15 - Concentrations of Risk**

Amounts held in financial institutions by the organization are in excess of the Federal Deposit Insurance Corporation coverage. As of December 31, 2019, the uninsured portion of this balance was \$97,443. The organization deposits its cash with high quality financial institutions and management believes the organization is not exposed to significant credit risk on those amounts.

**Note 16 - Young Leaders Seminar**

The Young Leaders Program was established in 1981 and has built an enduring network of leaders on both sides of the Atlantic. The program is run jointly between the Organization and the French-American Foundation – France, a similar entity. The annual Young Leaders seminar alternates between being hosted in the United States and France. When in the United States, the organization undertakes the financial obligations of the seminar. For the year ending December 31, 2019, the Organization hosted and underwrote the five-day Young Leaders Seminar in the United States. The French organization will host and underwrite the next Young Leaders Seminar in France.

**The French-American Foundation**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 17 - Donated Services**

The commitment and dedication from members of the board of directors and others result in significant amounts of volunteer services. Although substantial, these donated services do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America.

**Note 18 - Subsequent Events**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the organization expects this matter to negatively impact its operating revenue. However, the related financial impact and duration cannot be reasonably estimated at this time.

Subsequent events have been evaluated through October 30, 2020, which is the date the financial statements were available to be issued.