

**FRENCH HERITAGE SOCIETY, INC.  
AND SUBSIDIARIES**

**Consolidated Financial Statements  
for year ended  
December 31, 2020**

**Independent Auditor's Report**

Board of Directors  
French Heritage Society, Inc.

We have audited the accompanying consolidated financial statements of French Heritage Society, Inc. and Subsidiaries (collectively, "FHS") which comprise the consolidated statement of financial position as of December 31, 2020 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of French Heritage Society, Inc. and Subsidiaries as of December 31, 2020 and the results of their activities and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Condon O'Meara McGinty & Donnelly LLP*

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Consolidated Statement of Financial Position  
December 31, 2020**

**Assets**

Cash and cash equivalents [Notes 1(G) and 1 (N)]	\$2,822,679
Investments, at fair value [Notes 1(H) and 3]	187,215
Pledges and contributions receivable	727,454
Prepaid expenses and other assets	63,782
Property and equipment, net [Notes 1(J) and 5]	<u>25,894</u>
<b>Total assets</b>	<b><u>\$3,827,024</u></b>

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued expenses	\$ 96,773
Deferred revenue [Note 1(E)]	17,536
Restoration project grants and awards payable [Note 6]	<u>119,560</u>
Total liabilities	<u>233,869</u>

**Net assets**

Without donor restrictions [Note 1(D)]	
Operating	5,846
Board-designated	<u>100,363</u>
Total without donor restrictions	106,209
With donor restrictions [Notes 1(D) and 7]	<u>3,486,946</u>
Total net assets	<u>3,593,155</u>

<b>Total liabilities and net assets</b>	<b><u>\$3,827,024</u></b>
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**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Consolidated Statement of Activities**

	Year Ended December 31, 2020				
	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Board- Designated	Total		
<b>Support and revenue</b>					
Contributions (including donated goods and services of \$17,288) [Note 8]	\$ 486,001	\$ -	\$ 486,001	\$ 715,868	\$ 1,201,869
Special and other fund-raising events (net of costs of direct benefit to donors of \$99,104)	253,417	-	253,417	1,011	254,428
Government grant	79,847	-	79,847	-	79,847
Program revenue	20,211	-	20,211	-	20,211
Membership dues	43,530	-	43,530	-	43,530
Interest income and other	14,010	5,240	19,250	-	19,250
Total support and revenue before net assets released from restrictions	897,016	5,240	902,256	716,879	1,619,135
Net assets released from restrictions [Note 7]	248,480	-	248,480	(248,480)	-
Total support and revenue	1,145,496	5,240	1,150,736	468,399	1,619,135
<b>Expenses</b>					
Program services					
Restoration projects (including grants and awards of \$185,005)	331,944	-	331,944	-	331,944
Cultural exchange and educational programs (including grants and awards of \$11,037)	172,518	-	172,518	-	172,518
Membership services	190,811	-	190,811	-	190,811
Total program services	695,273	-	695,273	-	695,273
Supporting activities					
Management and general	416,973	-	416,973	-	416,973
Fund-raising	248,873	-	248,873	-	248,873
Total supporting activities	665,846	-	665,846	-	665,846
Total expenses	1,361,119	-	1,361,119	-	1,361,119
Increase (decrease) in net assets before other	(215,623)	5,240	(210,383)	468,399	258,016
<b>Other</b>					
Foreign-currency translation loss [Note 1(K)]	(11,978)	-	(11,978)	-	(11,978)
Unrealized (loss) on investments	(8,654)	-	(8,654)	-	(8,654)
Transfer	110,000	(110,000)	-	-	-
<b>Increase (decrease) in net assets</b>	(126,255)	(104,760)	(231,015)	468,399	237,384
<b>Net assets, beginning of year</b>	<b>132,101</b>	<b>205,123</b>	<b>337,224</b>	<b>3,018,547</b>	<b>3,355,771</b>
<b>Net assets, end of year</b>	<b>\$ 5,846</b>	<b>\$ 100,363</b>	<b>\$ 106,209</b>	<b>\$ 3,486,946</b>	<b>\$ 3,593,155</b>

See notes to consolidated financial statements.

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Consolidated Statement of Functional Expenses  
Year Ended December 31, 2020**

	<u>Program Services</u>				<u>Supporting Activities</u>			
	<u>Restoration Projects</u>	<u>Cultural Exchange and Educational Programs</u>	<u>Member Services</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising and Direct Benefit costs</u>	<u>Total</u>	<u>Total</u>
<b>Payroll and related</b>								
Salaries	\$ 85,114	\$ 68,091	\$ 102,137	\$ 255,342	\$ 181,578	\$ 130,508	\$ 312,086	\$ 567,428
Payroll taxes and employee benefits	<u>29,079</u>	<u>23,263</u>	<u>34,894</u>	<u>87,236</u>	<u>62,035</u>	<u>44,587</u>	<u>106,622</u>	<u>193,858</u>
Total payroll and related	114,193	91,354	137,031	342,578	243,613	175,095	418,708	761,286
<b>Other</b>								
Grants and awards	185,005	11,037	-	196,042	-	-	-	196,042
Catering, facility, and other costs	-	-	-	-	9,315	99,104	108,419	108,419
Program materials and hospitality	-	39,840	2,097	41,937	-	-	-	41,937
Accounting and legal	-	-	-	-	53,620	-	53,620	53,620
Communications and website	1,735	1,388	2,082	5,205	3,701	2,658	6,359	11,564
Postage	1,091	873	1,310	3,274	2,328	1,674	4,002	7,276
Occupancy	13,610	10,888	16,332	40,830	29,034	20,868	49,902	90,732
Publications	-	-	10,620	10,620	-	-	-	10,620
Office expenses	2,188	1,750	2,625	6,563	4,668	3,355	8,023	14,586
Data processing	1,380	1,577	1,971	4,928	4,383	16,959	21,342	26,270
Promotion	-	4,363	1,454	5,817	-	8,727	8,727	14,544
Staff hotels and travel	1,563	1,250	1,875	4,688	3,334	2,396	5,730	10,418
Depreciation and amortization	2,720	1,995	3,264	7,979	5,986	4,171	10,157	18,136
Other	<u>8,459</u>	<u>6,203</u>	<u>10,150</u>	<u>24,812</u>	<u>56,991</u>	<u>12,970</u>	<u>69,961</u>	<u>94,773</u>
<b>Total expenses</b>	<b>331,944</b>	<b>172,518</b>	<b>190,811</b>	<b>695,273</b>	<b>416,973</b>	<b>347,977</b>	<b>764,950</b>	<b>1,460,223</b>
Less: costs of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,104</u>	<u>99,104</u>	<u>99,104</u>
<b>Total expenses per statement of activities</b>	<b><u>\$ 331,944</u></b>	<b><u>\$ 172,518</u></b>	<b><u>\$ 190,811</u></b>	<b><u>\$ 695,273</u></b>	<b><u>\$ 416,973</u></b>	<b><u>\$ 248,873</u></b>	<b><u>\$ 665,846</u></b>	<b><u>\$ 1,361,119</u></b>

See notes to consolidated financial statements.

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2020**

<b>Cash flows from operating activities (including grants and awards)</b>	
Increase in net assets	\$ 237,384
Adjustments to reconcile increase in net assets to net cash (used in) operating activities (including grants and awards)	
Donated stock	(56,846)
Unrealized loss on investment	8,654
Depreciation and amortization	18,136
(Increase) in pledges and contributions receivable	(369,776)
(Increase) in prepaid expenses and other assets	(18,907)
Increase in accounts payable and accrued expenses	27,884
(Decrease) in deferred revenue	(46,679)
(Decrease) in restoration project grants and awards payable	<u>(31,750)</u>
Net cash (used in) operating activities (including grants and awards)	<u>(231,900)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sale and maturities of investments	103,815
Purchases of investments	(49,819)
Purchases of property and equipment	<u>(2,365)</u>
Net cash provided by investing activities	<u>51,631</u>
<b>Net (decrease) in cash</b>	<b>(180,269)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>3,002,948</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 2,822,679</u></b>

See notes to consolidated financial statements.

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES****Notes to Consolidated Financial Statements  
December 31, 2020****Note 1 – Nature of organization and summary of significant accounting policies****(A) Nature and organization**

French Heritage Society, Inc. (the “Organization”), formerly known as Friends of VMF, Inc., was incorporated as a not-for-profit corporation in the State of New York in 1981. The mission of the Organization is to ensure that the treasures of our shared French architectural and cultural heritage survive to inspire future generations to build, dream and create by:

- preserving the rich French architectural and cultural heritage throughout France and in the United States (the “U.S.”) by raising funds for restoration, preservation and cultural grants;
- transmitting and safeguarding the skills, knowledge and love of the heritage through transatlantic educational programs for students, architects, artisans, art connoisseurs and collectors; and
- fostering Franco-American friendship and cross-cultural exchange through select tours in France and the U.S., lectures, conferences, galas and other events on both sides of the Atlantic.

The Organization's activities are supported through a network of chapters in the U.S. and one in France. The chapters, which are managed through an extensive volunteer network, organize a variety of cultural, social and fundraising events for its members. Net proceeds from chapter fundraising events are designated for specific grants which the Organization's Board of Directors has voted to fund.

American Friends of L’Abbaye de Lagrasse, LLC, created in October 2018, and American Friends of the Saint Omer Foundation, LLC, created in April 2018, were formed as single-member, member-managed, limited liability companies in which the Organization is the single member and manager. Each LLC has been created pursuant to a fiscal sponsorship agreement under which the Organization facilitates the ability of the French non-profit entity that is party to the sponsorship agreement to offer a deduction under the U.S. tax laws to donors contributing funds for the benefit of such French non-profit. At December 31, 2020, the American Friends of the Saint Omer Foundation, LLC had assets of approximately \$27,600 and income of \$2,440 and the American Friends of L’Abbaye de Lagrasse, LLC had assets of approximately \$6,000 and income of \$6,250, which are included in the consolidated statement of financial position and statement of activities, respectively.

**(B) Principles of consolidation**

The accompanying consolidated financial statements include the accounts of the Organization, American Friends of L’Abbaye de Lagrasse, LLC and American Friends of the Saint Omer Foundation, LLC (collectively, “FHS”). All material intercompany accounts and transactions have been eliminated upon consolidation.

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES****Notes to Consolidated Financial Statements (continued)****December 31, 2020****Note 1 – Nature of organization and summary of significant accounting policies (continued)****(C) Basis of presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

**(D) Net assets**

The net assets of FHS and the changes therein are classified and reported as follows:

**Net assets without donor restrictions**

Operating - net assets without donor restrictions that represent those resources that are used to account for the general activities of FHS.

Board-designated - net assets without donor restrictions subject to use at the discretion of the Board and subject to the terms and conditions of the Organization's Operating Reserve Policy. During 2020, the Board of Directors authorized a transfer of \$110,000 from the board-designated operating reserve to the FHS' operating net assets without donor restrictions to reduce the operational deficit.

**Net assets with donor restrictions**

Net assets with donor restrictions are those resources that are subject to donor-imposed restrictions, such as specific purposes and/or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor or the passage of time, and are reclassified as net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

**(E) Contributions and pledges**

Contributions to FHS, other than the contribution portion of payments for special events, are recognized as revenue upon the receipt of cash or other assets, or of unconditional pledges. Contributions are reported as being with donor restrictions if they are received with donor stipulations or time considerations as to their use. Gross proceeds paid by attendees at special events held as fundraising activities represent contribution revenue, as well as the payment of the direct cost of the benefit received by the attendee at the event. Special event income is reported net of the direct benefit to donors. Special event revenue received for a future year's event is deferred and recognized when the event takes place. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of FHS' management or necessary events have taken place. FHS records bequest income at the time it has an established right to a bequest and the proceeds are measurable. Donated securities are recorded at their estimated fair values at the date of donation.



**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES****Notes to Consolidated Financial Statements (continued)****December 31, 2020****Note 1 – Nature of organization and summary of significant accounting policies (continued)****(F) Donated goods and services**

Contributed goods are recognized at their fair values on the dates of donation. Contributions of services are recorded as both revenue and expense in the year in which they are received, provided that the services: (i) create or enhance nonfinancial assets; or (ii) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated. (See Note 8).

Members of the Board and other volunteers have donated significant amounts of their time and support through fund-raising and organizing and participating in events in furtherance of the Organization's mission. The value of this donated volunteer time is not reported in the accompanying consolidated financial statements as it does not meet the criteria for recognition.

**(G) Cash equivalents**

FHS considers all highly liquid investments with original maturities of three months or less when acquired to be cash equivalents.

**(H) Investments**

Investments are recorded at fair value which is based on publicly traded quotes. Realized and unrealized gains or losses are reported in the consolidated statement of activities as increases or decreases in net assets.

**(I) Fair value measurements**

FHS' investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

**(J) Property and equipment**

Property and equipment are stated at their original cost at the dates of acquisition, or, if contributed, at their fair value at the date of donation. FHS capitalizes items of property and equipment that have a cost of \$1,000 or more and a useful life greater than one year, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of furniture, equipment, and computer equipment is provided using the straight-line method over three to five years, the estimated useful lives of the related assets. Leasehold improvements are amortized over the remaining lease term or the useful lives of the improvements, whichever is shorter.

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES****Notes to Consolidated Financial Statements (continued)****December 31, 2020****Note 1 – Nature of organization and summary of significant accounting policies (continued)****(K) Foreign-currency translations and transactions**

Foreign-currency translation gains or losses are the inherent result of the process of translating, into U.S. dollars, the functional currency of the Organization's Paris office, which is the Euro. For assets and liabilities, such annual translation adjustments are not included in determining the net increase in assets from operations, but they are instead disclosed as a separate component in the consolidated statement of activities.

**(L) Functional allocation of expenses**

The expenses of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statement of functional expenses. Expenses that can be directly identified with a program or supporting service are reported within the respective functions accordingly. Expenses which are not readily identified with a particular function or are identified with more than one function, are allocated among program activities and supporting services based on time and effort.

**(M) Use of estimates**

The preparation of the financial statements in conformity with U.S. GAAP 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.

**(N) Concentrations of credit risk**

FHS' financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. FHS places its cash and cash equivalents with what it believes to be quality financial institutions. During 2020, FHS' cash accounts exceeded the FDIC insurance limit. FHS has not incurred any losses in its cash accounts to date. FHS' investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of risk associated with investment securities, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the consolidated statement of financial position as of December 31, 2020. FHS routinely monitors the collectability of its receivables to ensure they are viable. As a result, FHS believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, investments and receivables.

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (continued)**

**December 31, 2020**

**Note 1 – Nature of organization and summary of significant accounting policies (continued)**

(O) Risks and uncertainties

On March 13, 2020, a national emergency was declared due to extraordinary circumstances resulting from the coronavirus. As the coronavirus pandemic continues, the economic impact on FHS' financial operations will depend on future developments, which are uncertain and cannot be predicted.

(P) Subsequent events

FHS has evaluated events and transactions for potential recognition or disclosure through January 4, 2022, which is the date the consolidated financial statements were available to be issued.

**Note 2 – Liquidity and availability and financial assets**

As of December 31, 2020, financial assets and liquidity resources available within one year of the consolidated statement of financial position date for general expenditures were as follows:

**Financial assets**

Cash and cash equivalents	\$ 2,822,679
Investments, at fair value	187,215
Pledges and contributions receivable due within one year	<u>155,904</u>
Sub-total	3,165,798
Less: board-designated net assets	<u>(100,363)</u>
Total	<u>\$ 3,065,435*</u>

\* As stated in the consolidated statement of financial position, as of December 31, 2020 of the \$3,593,155 of net assets, \$3,486,946 are net assets with donor restrictions and only \$5,846 are net assets without donor restrictions available for operating.

As part of the FHS' liquidity management, it attempts to maintain a sufficient level of operating cash to be available as its general expenditures (including grants, liabilities, and other obligations) come due.

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (continued)**

**December 31, 2020**

**Note 3 – Investments, at fair value**

The following is a summary of the investments at fair value at December 31, 2020:

Cash equivalents	\$ 23,827
Certificates of deposit	101,308
Common stock	41,805
Exchange-traded funds – large cap	<u>20,275</u>
Total	<u>\$ 187,215</u>

**Note 4 – Pledges and contributions receivable**

Pledges and contributions receivable are unconditional promises from external organizations and individuals to donate to FHS. As of December 31, 2020, pledges and contributions receivable are due as follows:

Amounts expected to be collected in:

Less than one year	\$ 155,904
One to five years	<u>571,550</u>
Total	<u>\$ 727,454</u>

**Note 5 – Property and equipment**

The summary of the property and equipment as of December 31, 2020 is as follows:

Computer equipment	\$ 61,923
Leasehold improvements	66,572
Furniture and equipment	<u>5,583</u>
Sub-total	134,078
Less: accumulated depreciation and amortization	<u>108,184</u>
Total	<u>\$ 25,894</u>

**Note 6 – Restoration project grants and awards payable**

At December 31, 2020, grants and awards payable are estimated to be paid as follows:

Amounts expected to be paid in:

Less than one year	\$ 88,000
One to five years	<u>31,560</u>
Total	<u>\$ 119,560</u>

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (continued)**

**December 31, 2020**

**Note 6 – Restoration project grants and awards payable (continued)**

In addition to restoration-project grants and awards payable, FHS has selected future restoration projects (“future projects”) as potential grantees, the conditions for funding of which have not yet been met by the project sponsors. FHS’ conditional commitments for these future projects totaled approximately \$3,177,000 as of December 31, 2020. Following approval of these future projects, and in anticipation of such projects’ meeting the conditions for funding, FHS commenced fund-raising for these projects. As a result of such fund-raising efforts, FHS had available a total of approximately \$2,796,000 as of December 31, 2020, as contributions designated for such future projects, and such amounts are reported as net assets with donor restrictions.

**Note 7 – Net assets with donor restrictions**

At December 31, 2020, net assets with donor restrictions consisted of funds restricted for the following purposes:

Abbaye de Lagrasse	\$ 53,633
Abbaye de Longues	2,000
Chapter commitments (10 chapters)	47,635
Chateau de Commarque	30,000
Chateau de la Tourette	5,100
Commanderie d'Epailly	5,000
Fort de Chartres	6,000
Future Projects (Bessimer trust)	11,000
Historic preservation internship program	679,903
Notre Dame Fire Fund	2,571,297
Orangerie de Bagatelle	61,864
Petite Plaisance	1,014
Student oriented program	10,000
Theatre de Chaillot-Amer. Party	<u>2,500</u>
Total	<u>\$ 3,486,946</u>

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (continued)**

**December 31, 2020**

**Note 7 – Net assets with donor restrictions (continued)**

During the year ended December 31, 2020, net assets released from restrictions were as follows:

Beauregard-Keys	\$ 5,000
Chateau d'Arnajon	5,000
Chateau de Bourron	20,000
Chateau de Braux Sainte Cohiere	10,000
Chateau de Goudorville	5,000
Chateau de la Ferte St. Aubin	11,477
Chateau de la Rivoire	10,000
Chateau de Meung	10,000
Chateau de Panloy	7,500
Chateau du Taillis	7,500
Cloister Chartreux Toulouse	12,500
Fort de la Conchee	15,000
Historic preservation internship program	107,003
Hotel de la Monnaie-Paris	<u>22,500</u>
Total	<u>\$ 248,480</u>

**Note 8 – Donated goods and services**

During the year ended December 31, 2020, FHS received the following donated goods and services:

Donated goods	
Event goods	\$ 2,288
Donated services	
Legal	<u>15,000</u>
Total	<u>\$ 17,288</u>

**Note 9 – 401(k) plan**

FHS maintains a 401(k) plan (the “Plan”), under which FHS matches up to 3% of each eligible participant's compensation. FHS contributed \$6,755 to the Plan for the year ended December 31, 2020.

**Note 10 – Commitments**

At December 31, 2020, FHS was obligated under various non-cancellable lease agreements. The leases for office spaces in New York and Paris expire in April 2023 and September 2023, respectively. In addition, FHS leases certain equipment under agreements expiring through December 2022.

**FRENCH HERITAGE SOCIETY, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (continued)**

**December 31, 2020**

**Note 10 – Commitments (continued)**

The approximate future annual minimum lease payments as of December 31, 2020 were as follow:

<u>Year ended</u>	<u>Amount</u>
2021	\$ 101,000
2022	101,000
2023	51,000
Total	\$ 253,000

Lease amounts shown in the table above reflect an expiration of one or more of the various leases for years subsequent to 2022; it is expected, however, that FHS will enter into replacement leases at market rates at, or prior to, the actual expiration of those ending leases.

**Note 11 – Paycheck protection program**

During 2020, FHS applied for and received \$79,847 under the Paycheck Protection Program (“PPP”) which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. FHS believes it has spent all of the proceeds in accordance with the terms of PPP loan program and elected to record the proceeds as government grant revenue in the consolidated statement of activities. FHS had the loan forgiven in its entirety during 2021.

During 2021, FHS applied for and received a second PPP Loan totaling \$79,847. FHS had the loan forgiven in its entirety during 2021 and will record the proceeds as government grant revenue in the 2021 consolidated statement of activities.

**Note 12 – Tax status**

The Organization has been determined by the Internal Revenue Service to be a charitable organization as defined by Section 501(c)(3) of the U.S. Internal Revenue Code (the “Code”) and, accordingly, is exempt from federal income taxes under Section 501(a) of the Code. American Friends of L’Abbaye de Lagrasse, LLC and American Friends of the Saint Omer Foundation, LLC are treated as disregarded entities for corporate tax filing purposes and all of their balances and transactions are reflected on the information tax returns of the Organization.