



**ATLANTA, GEORGIA**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2020 AND 2019**

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**INDEX TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	
STATEMENTS OF FINANCIAL POSITION	1
STATEMENTS OF ACTIVITIES AND NET ASSETS	2-3
STATEMENTS OF FUNCTIONAL EXPENSES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-13



**Jones and Kolb**  
Certified Public Accountants  
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Friends of Forman Christian College, Inc.  
Atlanta, Georgia

We have audited the accompanying financial statements of Friends of Forman Christian College, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Forman Christian College, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Jones and Kolb*

October 22, 2020

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2020 AND 2019**

**ASSETS**

	<b>2020</b>	<b>2019</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,474,320	\$ 2,517,185
Cash held on behalf of Forman Christian College	169,147	600,372
Certificates of deposits and money market funds	2,903,118	5,867,820
Pledges receivable	87,683	259,900
Prepaid expenses and other assets	16,216	19,506
Total current assets	6,650,484	9,264,783
<b>PROPERTY AND EQUIPMENT, NET</b>	3,057	1,651
<b>INVESTMENTS - ENDOWMENT</b>	637,490	436,877
Total assets	\$ 7,291,031	\$ 9,703,311

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Due to Forman Christian College	\$ 169,147	\$ 600,372
Accrued grants payable	113,642	182,793
Accounts payable	11,215	6,963
Total current liabilities	294,004	790,128
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	-	-
Board designated	1,433,428	969,090
Total without donor restrictions	1,433,428	969,090
With donor restrictions	5,563,599	7,944,093
Total net assets	6,997,027	8,913,183
Total liabilities and net assets	\$ 7,291,031	\$ 9,703,311

The accompanying notes to financial statements  
are an integral part of these statements.

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 1,364,714	\$ 662,310	\$ 2,027,024
Investment earnings	112,557	58,371	170,928
Total support and revenue	<u>1,477,271</u>	<u>720,681</u>	<u>2,197,952</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>3,101,175</u>	<u>(3,101,175)</u>	<u>-</u>
<b>EXPENSES</b>			
Program services	3,638,981	-	3,638,981
General and administrative	189,570	-	189,570
Fundraising	285,557	-	285,557
Total expenses	<u>4,114,108</u>	<u>-</u>	<u>4,114,108</u>
<b>CHANGE IN NET ASSETS</b>	464,338	(2,380,494)	(1,916,156)
<b>NET ASSETS AT JUNE 30, 2019</b>	<u>969,090</u>	<u>7,944,093</u>	<u>8,913,183</u>
<b>NET ASSETS AT JUNE 30, 2020</b>	<u><u>\$ 1,433,428</u></u>	<u><u>\$ 5,563,599</u></u>	<u><u>\$ 6,997,027</u></u>

The accompanying notes to financial statements  
are an integral part of this statement.

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 1,432,247	\$ 5,064,338	\$ 6,496,585
Investment earnings	99,140	25,771	124,911
Total support and revenue	<u>1,531,387</u>	<u>5,090,109</u>	<u>6,621,496</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>523,231</u>	<u>(523,231)</u>	<u>-</u>
<b>EXPENSES</b>			
Program services	1,214,316	-	1,214,316
General and administrative	184,658	-	184,658
Fundraising	283,200	-	283,200
Total expenses	<u>1,682,174</u>	<u>-</u>	<u>1,682,174</u>
<b>CHANGE IN NET ASSETS</b>	372,444	4,566,878	4,939,322
<b>NET ASSETS AT JUNE 30, 2018</b>	<u>596,646</u>	<u>3,377,215</u>	<u>3,973,861</u>
<b>NET ASSETS AT JUNE 30, 2019</b>	<u><u>\$ 969,090</u></u>	<u><u>\$ 7,944,093</u></u>	<u><u>\$ 8,913,183</u></u>

The accompanying notes to financial statements  
are an integral part of this statement.

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>For the Year Ended June 30, 2020</b>				<b>For the Year Ended June 30, 2019</b>			
	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Campus Center	\$ 2,524,500	\$ -	\$ -	\$ 2,524,500	\$ -	\$ -	\$ -	\$ -
Institutional support	740,436	-	10,080	750,516	511,090	-	9,627	520,717
Salaries and benefits	60,110	142,113	187,134	389,357	51,715	136,215	174,680	362,610
Scholarships	310,766	-	-	310,766	305,823	-	-	305,823
Advertising and promotion	-	-	36,173	36,173	-	-	41,531	41,531
Office and administrative	135	16,201	18,279	34,615	153	18,999	20,320	39,472
Professional fees	-	16,896	7,475	24,371	-	18,489	2,985	21,474
Payroll taxes	3,034	7,914	10,051	20,999	2,959	7,606	9,841	20,406
Travel	-	4,091	16,365	20,456	13,296	973	24,216	38,485
Insurance expense	-	1,725	-	1,725	-	1,615	-	1,615
Depreciation	-	630	-	630	-	761	-	761
IT and classroom upgrades	-	-	-	-	329,280	-	-	329,280
<b>Total expenses</b>	<b>\$ 3,638,981</b>	<b>\$ 189,570</b>	<b>\$ 285,557</b>	<b>\$ 4,114,108</b>	<b>\$ 1,214,316</b>	<b>\$ 184,658</b>	<b>\$ 283,200</b>	<b>\$ 1,682,174</b>

The accompanying notes to financial statements  
are an integral part of these statements.

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,916,156)	\$ 4,939,322
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Depreciation	630	761
Realized and unrealized gain on investments	(49,182)	(34,583)
(Increase) decrease in cash held on behalf of Forman Christian College	431,225	(560,930)
(Increase) decrease in pledges receivable	172,217	(79,900)
(Increase) decrease in prepaid expenses and other assets	3,290	(6,702)
Increase (decrease) in due to Forman Christian College	(431,225)	560,930
Decrease in accrued grants payable	(69,151)	(75,860)
Increase in accounts payable	4,252	1,963
Total adjustments	62,056	(194,321)
Net cash and cash equivalents provided by (used in) operating activities	(1,854,100)	4,745,001
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of certificates of deposit and money market funds	2,965,878	-
Purchases of certificates of deposit and money market funds	-	(2,854,274)
Purchases of investments	(152,607)	(114,803)
Purchases of property and equipment	(2,036)	-
Net cash and cash equivalents provided by (used in) investing activities	2,811,235	(2,969,077)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	957,135	1,775,924
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	2,517,185	741,261
<b>CASH AND CASH EQUIVALENTS</b>		
End of year	\$ 3,474,320	\$ 2,517,185

The accompanying notes to financial statements  
are an integral part of these statements.



**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Friends of Forman Christian College, Inc. (the "Organization") is a not-for-profit corporation dedicated to supporting the high-quality educational mission of Forman Christian College (the "College") to develop informed, ethical and responsible citizens of Pakistan who exemplify the FCCU motto, "By love serve one another." The primary mission of the Organization is to secure funding for the College for capital projects to improve campus infrastructure and programs; for scholarships and other key initiatives for students at Forman Christian College, especially for those students marginalized by reason of gender, class, ethnicity, religion or economic status; and for key missionary personnel in support of academic, administrative and spiritual life programs of the College. The College is located in Lahore, Pakistan.

The College is located on land owned by subsidiaries of the Presbyterian Church (USA) ("PCUSA"). PCUSA approached the Organization to propose transferring the land to the Organization as PCUSA seeks to terminate ownership of certain properties located outside of the USA. The Organization and PCUSA are awaiting final documentation before effecting the transfer in Pakistan. Upon execution of a trust agreement, PCUSA will transfer the land to FFCC Educational Trust ("Trust") and appoint FFCC Holdings, Inc. ("Holdings") as the sole Trustee of the Trust. It is anticipated that the execution of the trust agreement is imminent.

B. The Organization's policy is to prepare its financial statements on the accrual basis of accounting in conformity with accounting policies generally accepted in the United States of America; consequently, contributions are recognized when earned and expenses are recognized when the obligation is incurred.

C. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

D. Cash equivalents at June 30, 2020 and 2019 consist primarily of money market accounts that are held for the Organization's unrestricted purposes. The Organization considers all short-term, interest-bearing deposits with maturities of three months or less to be cash equivalents.

The Organization maintains cash balances at financial institutions which may, at times, exceed the federally insured limits. Management periodically reviews the financial viability of the institutions and does not anticipate any credit risk related losses.

E. Certificates of deposit that are not debt securities are reported at fair market value plus accrued interest in the accompanying Statements of Financial Position. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

classified as current assets. Individual certificates of deposit never exceed the federally insured limit of \$250,000. The interest rates for all certificates of deposit is 1.75%. Certificates of deposit totaling \$1,504,172 and \$2,976,021 as of June 30, 2020 and 2019, respectively, are classified as current assets on the Statements of Financial Position.

F. The Organization records unconditional pledges in the period made by donors and allowances are provided for amounts estimated as uncollectible. All contributions are available for unrestricted purposes unless specifically restricted by the donor. At June 30, 2020 and 2019, all pledges receivable were considered collectible.

G. Purchased property and equipment exceeding \$500 is stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Depreciation expense was \$630 and \$761 for the years ended June 30, 2020 and 2019, respectively.

H. Investments, which consist of mutual funds, are stated at fair value. Investment income and realized and unrealized gains and losses are recorded as changes in net assets without donor restrictions or net assets with donor restrictions depending on any donor stipulations on the use of the income.

I. The Organization classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed 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 or grantor restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve and a Board-designated endowment.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets permit the Organization to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

When restrictions expire (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 and reported in the Statements of Activities and Net Assets as "net assets released from restrictions."

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

J. Contributions, including unconditional promises to give, are generally recorded as revenue when received. All contributions are recorded as revenue without donor restrictions unless specifically restricted by the donor.

K. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include general office and travel, which are allocated based on their specific function, as well as salaries and benefits, which are allocated on the basis of estimated time and effort.

L. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to tax. The Organization had no unrelated business income for the years ended June 30, 2020 and 2019.

M. Prior to the year ended June 30, 2020, it was the Organization's policy to record net assets with donor restrictions received and expended in the same period as net assets without donor restrictions. The Organization discontinued this policy for the year ended June 30, 2020 and applied the change retroactively to the year ended June 30, 2019. Management evaluated the change in accounting policy and determined there is no impact on net assets as of June 30, 2020 and 2019.

N. Certain prior year amounts have been reclassified to conform to the current year financial statements presentation.

O. Subsequent events have been evaluated by management through October 22, 2020, the date these financial statements were available to be issued.

**2. LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following as of June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,425,370	\$ 954,896
Interest receivable	14,778	18,068
Pledges and other receivables, net	<u>13,152</u>	<u>41,025</u>
Total	<u>\$ 1,453,300</u>	<u>\$ 1,013,989</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

**3. DUE TO FORMAN CHRISTIAN COLLEGE**

The Organization acts as an agent on behalf of the College for funds held in bank accounts. These funds, which totaled \$169,147 and \$600,372 at June 30, 2020 and 2019, respectively, are reported as an asset and a liability in the accompanying Statements of Financial Position.

**4. PLEDGES RECEIVABLE**

At June 30, 2020 and 2019, the Organization had pledges receivable of \$87,683 and \$259,900, respectively, which are all receivable in less than one year.

**5. FAIR VALUE MEASUREMENTS**

U.S. generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuation is based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs other than Level 1 prices, such as quoted market prices for similar assets, quoted market prices in inactive markets and other inputs that may be corroborated by observable market data. Level 3 within the hierarchy states that valuations are based upon unobservable inputs. As of June 30, 2020 and 2019, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments.

The Organization's investments consist of money market, mutual funds and bond funds which are valued at the closing price reported on the active market on which the individual securities are traded and are all Level 1 investments.

Investment earnings consist of the following for the years ended June 30:

	<b>2020</b>	<b>2019</b>
Interest and dividend income	\$ 136,752	\$ 98,428
Realized and unrealized gain	49,182	34,583
Investment fees	(15,006)	(8,100)
Total investment earnings	\$ 170,928	\$ 124,911

**6. BOARD DESIGNATED NET ASSETS**

At June 30, 2020 and 2019, Board-designated net assets consist of \$1,433,428 and \$969,090, respectively, designated as an operating reserve for the Organization.

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

**7. NET ASSETS WITH DONOR RESTRICTIONS**

Changes to net assets with donor restrictions are as follows:

	<b>June 30, 2019</b>	<b>Additions</b>	<b>Released from Restrictions</b>	<b>June 30, 2020</b>
Subject to expenditure for specified purpose:				
Capital project - Student Center	\$ 7,311,066	\$ 69,984	\$ (2,524,500)	\$ 4,856,550
Scholarships	2,975	299,326	(297,634)	4,667
Missionary support	152,150	106,240	(206,650)	51,740
	<u>7,466,191</u>	<u>475,550</u>	<u>(3,028,784)</u>	<u>4,912,957</u>
Subject to the passage of time:				
Promises to give that are not restricted by donors, but which are unavailable for expenditure until received	41,025	33,752	(61,625)	13,152
	<u>41,025</u>	<u>33,752</u>	<u>(61,625)</u>	<u>13,152</u>
Subject to the Organization's endowment spending and appropriation:				
Endowment	436,877	211,379	(10,766)	637,490
	<u>\$ 7,944,093</u>	<u>\$ 720,681</u>	<u>\$ (3,101,175)</u>	<u>\$ 5,563,599</u>
	<b>June 30, 2018</b>	<b>Additions</b>	<b>Released from Restrictions</b>	<b>June 30, 2019</b>
Subject to expenditure for specified purpose:				
Capital project - Student Center	\$ 2,888,785	\$ 4,422,281	\$ -	\$ 7,311,066
Scholarships	25,500	279,976	(302,501)	2,975
Missionary support	132,500	213,380	(193,730)	152,150
	<u>3,046,785</u>	<u>4,915,637</u>	<u>(496,231)</u>	<u>7,466,191</u>
Subject to the passage of time:				
Promises to give that are not restricted by donors, but which are unavailable for expenditure until received	27,000	41,025	(27,000)	41,025
	<u>27,000</u>	<u>41,025</u>	<u>(27,000)</u>	<u>41,025</u>
Subject to the Organization's endowment spending and appropriation:				
Endowment	303,430	133,447	-	436,877
	<u>\$ 3,377,215</u>	<u>\$ 5,090,109</u>	<u>\$ (523,231)</u>	<u>\$ 7,944,093</u>

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Student Center contributions are invested in money market accounts and certificates of deposit to safeguard the funds in the U.S. against the declining Rupee value. Grants are made to the College as funds are needed to pay for construction expenditures for the new Student Center.

**8. ENDOWMENT**

The Organization has established an endowment to provide scholarships for students at the College. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Organization has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization 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 Organization 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 Organization; and,
- (7) The investment policies of the Organization.

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

The composition of endowment funds and their change in net assets for the years ended are as follows:

	2020	2019
Endowment net assets, beginning of year	\$ 436,877	\$ 303,430
Contributions	153,008	107,676
Investment return:		
Investment income	10,365	7,127
Net realized and unrealized gain	48,006	18,644
Amounts appropriated for expenditure	(10,766)	-
Endowment net assets, end of year	\$ 637,490	\$ 436,877

The Organization has adopted investment and spending policies that attempt to balance providing student scholarships with preservation and growth of endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that track common benchmarks for a balanced portfolio, while assuming a moderate level of risk.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**9. RETIREMENT SAVINGS PLAN**

Through December 31, 2018, the Organization offered a SEP IRA plan that covered substantially all employees. On January 1, 2019, the Organization discontinued contributions to the SEP IRA and began participating in a 403(b) plan sponsored by the Presbyterian Church (USA)'s Board of Pensions. The Organization contributed ten percent of each employee's salary to the plans as a retirement contribution. The Organization's contributions totaled \$46,980 and \$43,721 for the years ended June 30, 2020 and 2019, respectively. The Organization also contributed to retirement plans for missionaries working directly with the College. The retirement contributions for missionaries totaled \$37,591 and \$25,344 for the years ended June 30, 2020 and 2019, respectively.

**FRIENDS OF FORMAN CHRISTIAN COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

**10. CONCENTRATION**

All of the Organization's revenues are from contributions from churches, private foundations and individuals. Total contributions received during the years ended June 30, 2020 and 2019 were \$2,027,024 and \$6,496,585, respectively. The top three donors contributed approximately 62% and 69% to the Organization for the years ended June 30, 2020 and 2019, respectively.

**11. CORONAVIRUS PANDEMIC**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a pandemic, with the outbreak widespread across the world. The Organization's Board and management are actively monitoring the domestic impact of COVID-19, as well as the impact on the College. Management is actively seeking ways to moderate operating expenses while remaining fully committed to continuing to provide assistance to the College.