

FAITH PROMISE CHURCH

Financial Statements
With Independent Auditors' Report

June 30, 2021 and 2020

FAITH PROMISE CHURCH

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INDEPENDENT AUDITORS' REPORT

Leadership Team
Faith Promise Church
Knoxville, Tennessee

We have audited the accompanying financial statements of Faith Promise Church, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities 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.

Auditors' Responsibility

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

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

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

Leadership Team
Faith Promise Church
Knoxville, Tennessee

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Faith Promise Church as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Lawrenceville, Georgia
December 15, 2021

FAITH PROMISE CHURCH

Statements of Financial Position

	June 30,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 1,293,356	\$ 830,891
Other assets	68,970	89,159
Investments held for Rabbi Trust	815,787	-
Property and equipment—net	27,432,699	24,880,194
Total Assets	\$ 29,610,812	\$ 25,800,244
LIABILITIES AND NET ASSETS:		
Liabilities		
Accounts payable and accrued expenses	\$ 729,755	\$ 208,616
Rabbi Trust	815,787	-
Interest rate swap liability	237,866	383,835
Capital lease obligation	24,324	64,982
Revolving credit loan	8,679,267	7,102,959
Total liabilities	10,486,999	7,760,392
Net assets:		
Without donor restrictions	19,123,813	17,182,799
With donor restrictions	-	857,053
Total net assets	19,123,813	18,039,852
Total Liabilities and Net Assets	\$ 29,610,812	\$ 25,800,244

See notes to financial statements

FAITH PROMISE CHURCH

Statements of Activities

	Year Ended June 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$13,298,933	\$ 1,452,937	\$14,751,870	\$12,629,226	\$ 1,532,562	\$14,161,788
Federal grant	-	-	-	-	933,975	933,975
Program revenue	118,955	-	118,955	192,472	-	192,472
Change in value of interest rate swap	145,969	-	145,969	(248,130)	-	(248,130)
Investment income	116,460	-	116,460	-	-	-
Other income	12,897	-	12,897	2,938	-	2,938
Loss on disposal of fixed assets	(141,650)	-	(141,650)	(438,910)	-	(438,910)
Total Support and Revenue	13,551,564	1,452,937	15,004,501	12,137,596	2,466,537	14,604,133
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	2,309,990	(2,309,990)	-	3,329,324	(3,329,324)	-
EXPENSES:						
Program activities	10,111,875	-	10,111,875	10,743,838	-	10,743,838
Administrative	3,808,665	-	3,808,665	2,420,549	-	2,420,549
Total Expenses	13,920,540	-	13,920,540	13,164,387	-	13,164,387
Change in Net Assets	1,941,014	(857,053)	1,083,961	2,302,533	(862,787)	1,439,746
Net Assets, Beginning of Year	17,182,799	857,053	18,039,852	14,880,266	1,719,840	16,600,106
Net Assets, End of Year	\$19,123,813	\$ -	\$19,123,813	\$17,182,799	\$ 857,053	\$18,039,852

See notes to financial statements

FAITH PROMISE CHURCH

Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,083,961	\$ 1,439,746
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Investment income	(116,460)	-
Depreciation	1,499,292	1,283,485
Loss on disposal of fixed assets	141,650	438,910
Change in value of interest rate swap	(145,969)	248,130
Non-cash revenue recognition of federal loan proceeds	-	(933,975)
Contributions received for building fund	(1,243,926)	(1,343,468)
Changes in operating assets and liabilities:		
Other assets	20,189	(13,897)
Accounts payable and accrued expenses	521,139	(297,181)
Rabbi Trust	815,787	-
Net Cash Provided by Operating Activities	2,575,663	821,750
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(950,000)	-
Proceeds from sale of investments	250,673	-
Purchases of property and equipment	(4,206,947)	(2,732,688)
Proceeds from sale of property and equipment	13,500	500,000
Net Cash Used by Investing Activities	(4,892,774)	(2,232,688)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions received for building fund	1,243,926	1,343,468
Proceeds received from paycheck protection program	-	933,975
Payments on capital lease obligation	(40,658)	(38,679)
Borrowings on revolving credit loan	2,306,308	-
Payments on revolving credit loan	(730,000)	(1,136,566)
Net Cash Provided by Financing Activities	2,779,576	1,102,198
Net Change in Cash and Cash Equivalents	462,465	(308,740)
Cash and Cash Equivalents, Beginning of Year	830,891	1,139,631
Cash and Cash Equivalents, End of Year	\$ 1,293,356	\$ 830,891

See notes to financial statements

FAITH PROMISE CHURCH

Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
SUPPLEMENTAL DISCLOSURE:		
Property and equipment purchased with outstanding payables	\$ 308,965	\$ -
Cash paid for interest, not capitalized	\$ 262,801	\$ 240,951
Capitalized interest	24,090	57,383
Total cash paid for interest	\$ 286,891	\$ 298,334
NONCASH FINANCING TRANSACTION		
Non-cash revenue recognition of federal loan proceeds	\$ -	\$ 933,975

See notes to financial statements

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

1. NATURE OF ORGANIZATION:

Faith Promise Church (FPC) was established in 1995. FPC is a nonprofit organization and is dedicated to reaching the unchurched for God through its various campuses across Tennessee and worldwide via the Internet. FPC strives to create relevant environments to lead people into experiencing God. FPC is supported primarily through contributions from the congregation.

FPC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code) and comparable state law. Contributions to FPC are deductible from income taxes within the limitations prescribed by the Code. FPC is not a private foundation under Section 509(a)(1) of the Code. However, income from certain activities not directly related to FPC's tax-exempt purpose is subject to taxation as unrelated business income. FPC has concluded that it does not have any unrecognized tax benefits resulting from current or prior period tax positions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of FPC have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

ESTIMATES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts. While FPC maintains cash and cash equivalents in bank deposit accounts which may, at times, exceed federally insured limits, FPC has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents. The uninsured amount as of June 30, 2021 and 2020, was \$1,091,638 and \$581,065, respectively.

INVESTMENTS HELD FOR RABBI TRUST

Investments in marketable securities with readily determinable fair values are recorded at fair value based on the last reported sales price on the valuation date. Donated investments are recorded at market value at the date of donation, and thereafter carried in accordance with the above provisions. Dividend and interest income as well as the realized and unrealized gains and losses on marketable securities are included in investment income in the accompanying statement of activities.

OTHER ASSETS

Other assets consist of prepaid expenses, prepaid insurance, and other assets.

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$5,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings and building improvements	10-40 years
Leasehold improvements	5-15 years
Furniture, fixtures, and equipment	5-20 years

INTEREST RATE SWAP LIABILITY

In 2017, FPC executed an interest rate swap which fixed the variable rate exposure associated with the \$14,311,958 revolving credit loan.

The purpose of the interest swap agreements is to manage the economic effect of variable interest obligations associated with the debt instruments described in note 5, so that the interest payable on the related indebtedness effectively becomes a fixed rate, thereby reducing the impact of future interest rate changes on future interest expense.

FPC adopted the disclosure requirements required by the *Derivatives and Hedging* topic of the FASB ASC, and provided the appropriate disclosures below:

	June 30,	
	2021	2020
2017 Interest rate swap:		
Fixed rate	3.98%	3.98%
Variable rate	2.03%	1.97%
Remaining term of contract in years	2	3
Maturity date	10/31/2023	10/31/2023
Original revolving credit loan balance covered by agreement (notional amount)	\$ 7,000,000	\$ 7,000,000
Notional amount outstanding	\$ 5,698,000	\$ 6,053,000

The agreement was accounted for as a fair value hedge. The change in fair value of interest rate swap is in the statements of activities and the corresponding fair value liability is included in the interest rate swap liability in the statements of financial position.

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INTEREST RATE SWAP LIABILITY, continued:

The effects of derivative instruments on the financial statements were as follows as of June 30, 2021 and 2020, and for the years then ended:

Fair value of derivative instruments in statements of financial position:

		Fair Value	
		2021	2020
	<u>Statement Location</u>		
Fair value hedge:			
Interest rate swap	Interest rate swap liability	\$ (237,866)	\$ (383,835)

Effects of derivative instruments in statements of activities:

		Gain (Loss)	
		2021	2020
	<u>Statement Location</u>		
Fair value hedge:			
Interest rate swap	Change in value of interest rate swap	\$ 145,969	\$ (248,130)

NET ASSETS

The financial statements report amounts separately by class of net assets.

Net assets without donor restrictions amounts are currently available for ministry purposes under the direction of the board and for amounts designed by the leadership team for missions and building projects. Investment in property and equipment represents amounts invested in property and equipment net of accumulated depreciation and related debt.

Net assets with donor restrictions amounts are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUES, EXPENSES, AND RECLASSIFICATIONS

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to FPC. Conditional promises to give 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.

FPC reports gifts of cash and other assets as restricted revenue if they are received with donor stipulations that limit the use of the donated assets. 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 as net assets released from restrictions. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor.

FPC reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the FPC reports expirations of donor restrictions when donated or acquired assets have been placed in service.

Donated goods (including securities, property, and equipment) are recorded at fair value at the date of the gift. Contributions of donated services that create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded in the financial statements at their fair values in the period received. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The value of those services has not been estimated. During the years ended June 30, 2021 and 2020, there were no qualifying donated services.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the program services and supporting activities of FPC have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the FPC's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. FPC considers general expenditures to be all expenditures related to its vision as well as the conduct of services undertaken to support those activities to be general expenditures.

	June 30,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 1,293,356	\$ 830,891
Investments	815,787	-
Less those not available for general expenditure within one year:		
Rabbi Trust	(815,787)	-
Building fund	-	(857,053)
Financial assets available to meet cash needs for general expenditures within one year:	\$ 1,293,356	\$ (26,162)

As part of the FPC'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. As of June 30, 2021, the FPC has no net assets with donor restrictions for project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purpose.

In addition to the financial assets noted above, FPC has a bank step down revolving note (see note 5) which is available for drawing upon for general expenditures.

4. INVESTMENTS:

Investments consist of:

	June 30,	
	2021	2020
At fair value:		
Mutual funds:		
Value funds	\$ 243,493	\$ -
Target date funds	117,115	-
Growth funds	266,076	-
Emerging markets funds	31,814	-
International equity funds	50,175	-
Fixed income funds	107,114	-
	\$ 815,787	\$ -

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

4. INVESTMENTS, continued:

Assets held in perpetuity and for long-term purposes consist of endowed balances, amounts held for future annuity payments, and assets designated by the board for long-term purposes.

The *Fair Value Measurements and Disclosure* topic of the FASB Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. FPC uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, FPC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. At June 30, 2021, all FPC investments are considered Level 1 investments.

Investment income consists of \$116,460 and \$0 of realized and unrealized gains for the years ended June 30, 2021 and 2020, respectively. There were no investment fees incurred during the years ended June 30, 2021 and 2020.

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consist of:

	June 30,	
	2021	2020
Land and improvements	\$ 3,987,200	\$ 3,534,624
Buildings and improvements	23,263,068	21,256,482
Leasehold improvements	3,773,969	3,419,340
Furniture, fixtures, and equipment	4,097,061	3,840,571
	<u>35,121,298</u>	<u>32,051,017</u>
Less accumulated depreciation	(9,240,667)	(7,884,277)
	<u>25,880,631</u>	<u>24,166,740</u>
Construction in progress	1,552,068	713,454
	<u>\$ 27,432,699</u>	<u>\$ 24,880,194</u>

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

6. REVOLVING CREDIT LOAN:
Revolving credit loan consists of:

	June 30,	
	2021	2020
Revolving credit loan with interest only payments held by bank. The revolving credit loan matures at October 31, 2023. The agreement is subject to an interest rate swap (see Note 2). The revolving credit loan is secured by real property owned by FPC. As of June 30, 2021, the amount of available credit was \$3,070,773.	\$ 8,679,267	\$ 7,102,959

The maximum loan availability of the revolving credit loan is as follows:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2022	\$ 10,970,000
2023	\$ 10,144,000

FPC is required to meet certain financial covenants related to its revolving credit loan. As of June 30, 2021 and 2020, FPC either met the financial covenants or obtained a letter of waiver from the financial institution, which waives the penalties associated with non-compliance of the financial covenant.

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

7. NET ASSETS:

The following is a summary of the activity for net assets with donor restrictions:

	June 30, 2020	Contributions	Released from Restriction	June 30, 2021
Missions	\$ -	\$ 155,661	\$ (155,661)	\$ -
Mission trips	-	51,330	(51,330)	-
Camp scholarships	-	2,020	(2,020)	-
Building fund	857,053	1,243,926	(2,100,979)	-
	\$ 857,053	\$ 1,452,937	\$ (2,309,990)	\$ -
	June 30, 2019	Contributions	Released from Restriction	June 30, 2020
Missions	\$ -	\$ 126,952	\$ (126,952)	\$ -
Mission trips	-	29,075	(29,075)	-
Camp scholarships	-	33,067	(33,067)	-
PPP Loan (Note 11)	-	933,975	(933,975)	-
Building fund	1,719,840	1,343,468	(2,206,255)	857,053
	\$ 1,719,840	\$ 2,466,537	\$ (3,329,324)	\$ 857,053

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

8. EXPENSES BY BOTH NATURE AND FUNCTION:

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of FPC. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Depreciation, interest, and office and occupancy are allocated on a square-footage basis. Payroll and benefits are allocated on employee time and effort.

Functional expenses by natural classification as of June 30, 2021:

	Program Activities	Administrative	Total
Payroll and benefits	\$ 4,093,791	\$ 2,544,564	\$ 6,638,355
Ministry and office supplies	1,313,333	271,716	1,585,049
Office and occupancy	1,164,046	115,125	1,279,171
Depreciation	1,365,659	135,065	1,500,724
Interest	261,071	25,820	286,891
Mission grants	226,377	-	226,377
Missions travel and meals	708,920	-	708,920
Grants to constituency	104,549	-	104,549
Travel, meals, and entertainment	287,531	4,934	292,465
Computer and technology supplies	214,225	286,946	501,171
Marketing and telecommunications	159,942	122,396	282,338
Professional fees and dues	210,024	76,624	286,648
Credit card processing fees	2,407	213,474	215,881
Other operating expenses	-	12,001	12,001
	<u>\$ 10,111,875</u>	<u>\$ 3,808,665</u>	<u>\$ 13,920,540</u>

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

8. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Functional expenses by natural classification as of June 30, 2020:

	Program Activities	Administrative	Total
Payroll and benefits	\$ 4,120,832	\$ 1,447,860	\$ 5,568,692
Ministry and office supplies	1,936,479	105,867	2,042,346
Office and occupancy	1,247,478	123,377	1,370,855
Depreciation	1,167,971	115,514	1,283,485
Interest	219,265	21,686	240,951
Mission grants	247,171	-	247,171
Missions travel and meals	213,289	-	213,289
Grants to constituency	537,219	-	537,219
Travel, meals, and entertainment	364,555	12,276	376,831
Computer and technology supplies	312,116	140,409	452,525
Marketing and telecommunications	277,501	128,217	405,718
Professional fees and dues	86,251	97,471	183,722
Credit card processing fees	2,180	205,728	207,908
Other operating expenses	11,531	22,144	33,675
	\$ 10,743,838	\$ 2,420,549	\$ 13,164,387

9. RETIREMENT PLANS:

FPC sponsors an Internal Revenue Code Section 403(b) Tax Sheltered Annuity Plan. The plan covers all qualified employees. Employee contributions and investments are self directed, subject to annual limits established by the Internal Revenue Service. FPC contributes 5% of each participant's qualified compensation. Participants are fully vested in their own deferrals and the FPC's contributions. FPC contributions for the years ended June 30, 2021 and 2020, were \$1,231,342 and \$158,812, respectively.

During the fiscal year ended June 30, 2021, FPC established a Rabbi Trust for the purpose of paying certain staff upon retirement, death, or disability. The trust is revocable by FPC. As of June 30, 2021, the portfolio was invested in 100% in mutual funds. All holdings are Level 1 assets in accordance with fair value disclosure requirements. Rabbi Trust assets are offset by a liability included in accrued expenses in the statements of financial position.

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

10. COMMITMENTS AND LEASES:

FPC leases facilities and certain office equipment under noncancelable operating lease agreements with various expirations through 2024. Total lease expenses for the years ended June 30, 2021 and 2020, was \$436,353 and \$318,929, respectively. In addition, FPC has an obligation for office equipment under a capital lease that expires February 2022. At June 30, 2021, the gross amount of equipment and related accumulated amortization recorded under the capital lease was as follows:

	June 30,	
	2021	2020
Equipment	\$ 149,374	\$ 149,374
Less accumulated amortization	(125,050)	(112,032)
Net book value	\$ 24,324	\$ 37,342

Future minimum payments are as follows:

Years Ending June 30,	Capital	Operating
2022	\$ 32,082	\$ 446,318
2023	-	446,922
2024	-	246,749
2025	-	108,449
	32,082	\$ 1,248,438
Less amount representing interest	(7,758)	
Present value of net minimum capital lease payments	\$ 24,324	

FAITH PROMISE CHURCH

Notes to Financial Statements

June 30, 2021 and 2020

11. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of FPC for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve. As part of the response to the impact of COVID-19, FPC applied for a Paycheck Protection Program (PPP) loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. FPC was approved for a loan in the amount of \$933,975. For the year ended June 30, 2020, in accordance with FASB ASC 958-605, FPC has recognized in the accompanying statements of activities, a noncash contribution with donor restrictions for the full amount of the loan. As of April 2021, FPC received full forgiveness for the loan.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 15, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.