

# **BETHLEHEM CENTERS OF NASHVILLE**

## **FINANCIAL STATEMENTS**

*As of and for the Years Ended June 30, 2020 and 2019*

*And Report of Independent Auditor*

**BETHLEHEM CENTERS OF NASHVILLE**  
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## **Report of Independent Auditor**

To the Board of Directors  
Bethlehem Centers of Nashville  
Nashville, Tennessee

We have audited the accompanying financial statements of Bethlehem Centers of Nashville (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, 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 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 Bethlehem Centers of Nashville 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.

**Emphasis of Matter**

As discussed in Note 7, towards the end of December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. During 2020, there have been various mandates and/or requests from federal, state, and local authorities resulting in closures of non-essential businesses, which could negatively impact the Organization's business. Although it is not possible to reliably estimate the length or severity of this outbreak and hence its financial impact, COVID-19 could result in uncertainties that could affect results of operations and other material adverse effects to the Organization. Our opinion is not modified with respect to this matter.



Nashville, Tennessee  
February 11, 2021

**BETHLEHEM CENTERS OF NASHVILLE**  
**STATEMENTS OF FINANCIAL POSITION**

*JUNE 30, 2020 AND 2019*

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 151,493	\$ 83,530
Certificates of deposit	102,804	100,600
Investments	5,671	5,671
Accounts receivable	6,701	22,700
Prepaid expenses	2,759	2,674
Total Current Assets	269,428	215,175
Property and equipment, net	32,776	68,445
<b>Total Assets</b>	<b>\$ 302,204</b>	<b>\$ 283,620</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 22,446	\$ 18,870
Total Liabilities	22,446	18,870
Net Assets:		
Without donor restrictions	257,258	264,750
With donor restrictions	22,500	-
Total Net Assets	279,758	264,750
<b>Total Liabilities and Net Assets</b>	<b>\$ 302,204</b>	<b>\$ 283,620</b>

**BETHLEHEM CENTERS OF NASHVILLE**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED JUNE 30, 2020*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and Revenues:			
Contributions and grants (includes \$12,400 of in-kind)	\$ 313,278	\$ 22,500	\$ 335,778
United Way	108,084	-	108,084
Federal and state awards	91,569	-	91,569
Sponsoring organization	20,000	-	20,000
Other	39,100	-	39,100
	<u>572,031</u>	<u>22,500</u>	<u>594,531</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	<u>572,031</u>	<u>22,500</u>	<u>594,531</u>
Expenses:			
Program Services:			
Adult development	160,436	-	160,436
Youth development	114,904	-	114,904
Community outreach	52,507	-	52,507
Total Program Services	<u>327,847</u>	<u>-</u>	<u>327,847</u>
Supporting Services:			
Management and general	242,376	-	242,376
Fundraising	9,300	-	9,300
Total Supporting Services	<u>251,676</u>	<u>-</u>	<u>251,676</u>
Total Expenses	<u>579,523</u>	<u>-</u>	<u>579,523</u>
Change in net assets	(7,492)	22,500	15,008
Net assets, beginning of year	<u>264,750</u>	<u>-</u>	<u>264,750</u>
Net assets, end of year	<u>\$ 257,258</u>	<u>\$ 22,500</u>	<u>\$ 279,758</u>

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

**BETHLEHEM CENTERS OF NASHVILLE**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED JUNE 30, 2019*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and Revenues:			
Contributions and grants (includes \$4,770 of in-kind)	\$ 293,043	\$ -	\$ 293,043
United Way	88,548	-	88,548
Federal and state awards	105,169	-	105,169
Sponsoring organization	26,354	-	26,354
Other	37,767	-	37,767
	<u>550,881</u>	<u>-</u>	<u>550,881</u>
Net assets released from restrictions	-	-	-
Total Support and Revenues	<u>550,881</u>	<u>-</u>	<u>550,881</u>
Expenses:			
Program Services:			
Adult development	171,628	-	171,628
Youth development	123,274	-	123,274
Community outreach	52,320	-	52,320
Total Program Services	<u>347,222</u>	<u>-</u>	<u>347,222</u>
Supporting Services:			
Management and general	215,926	-	215,926
Fundraising	9,300	-	9,300
Total Supporting Services	<u>225,226</u>	<u>-</u>	<u>225,226</u>
Total Expenses	<u>572,448</u>	<u>-</u>	<u>572,448</u>
Change in net assets	(21,567)	-	(21,567)
Net assets, beginning of year	286,317	-	286,317
Net assets, end of year	<u>\$ 264,750</u>	<u>\$ -</u>	<u>\$ 264,750</u>

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

**BETHLEHEM CENTERS OF NASHVILLE**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2020

	Program Services				Supporting Services			Total
	Adult Development	Youth Development	Community Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 57,939	\$ 67,763	\$ 18,078	\$ 143,780	\$ 44,384	\$ 9,300	\$ 53,684	\$ 197,464
Payroll taxes and benefits	-	-	-	-	19,443	-	19,443	19,443
Total Salaries and Related Expenses	57,939	67,763	18,078	143,780	63,827	9,300	73,127	216,907
Occupancy	11,546	14,796	14,796	41,138	16,283	-	16,283	57,421
Supplies and materials (includes \$12,400 in-kind)	25,979	10,324	11,367	47,670	22,430	-	22,430	70,100
Food	44,779	-	-	44,779	-	-	-	44,779
Contract labor	10,529	15,112	3,618	29,259	4,775	-	4,775	34,034
Professional fees	-	-	-	-	31,826	-	31,826	31,826
Building maintenance and repairs	1,209	1,209	1,559	3,977	15,444	-	15,444	19,421
Other	1,292	281	327	1,900	13,608	-	13,608	15,508
Insurance	-	431	431	862	13,722	-	13,722	14,584
Telephone	2,098	3,194	2,098	7,390	2,442	-	2,442	9,832
Equipment rent and maintenance	-	273	-	273	9,327	-	9,327	9,600
Travel	4,960	1,521	62	6,543	206	-	206	6,749
Advertising	50	-	-	50	1,647	-	1,647	1,697
Postage	55	-	171	226	446	-	446	672
Printing and reproduction	-	-	-	-	-	-	-	-
Conferences and meetings	-	-	-	-	-	-	-	-
Total Nonpersonnel Expenses	102,497	47,141	34,429	184,067	132,156	-	132,156	316,223
Total Before Depreciation	160,436	114,904	52,507	327,847	195,983	9,300	205,283	533,130
Depreciation	-	-	-	-	46,393	-	46,393	46,393
Total Expenses	\$ 160,436	\$ 114,904	\$ 52,507	\$ 327,847	\$ 242,376	\$ 9,300	\$ 251,676	\$ 579,523

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



**BETHLEHEM CENTERS OF NASHVILLE**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2019

	Program Services				Supporting Services			Total
	Adult Development	Youth Development	Community Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 52,892	\$ 75,542	\$ 16,022	\$ 144,456	\$ 29,434	\$ 9,300	\$ 38,734	\$ 183,190
Payroll taxes and benefits	3,112	1,492	597	5,201	13,544	-	13,544	18,745
Total Salaries and Related Expenses	56,004	77,034	16,619	149,657	42,978	9,300	52,278	201,935
Occupancy	12,706	15,956	15,956	44,618	19,023	-	19,023	63,641
Food	50,094	-	52	50,146	-	-	-	50,146
Supplies and materials (includes \$4,770 in-kind)	33,189	9,109	11,179	53,477	7,701	-	7,701	61,178
Professional fees	-	-	-	-	30,836	-	30,836	30,836
Contract labor	10,348	12,130	5,388	27,866	4,480	-	4,480	32,346
Building maintenance and repairs	205	205	205	615	16,643	-	16,643	17,258
Insurance	-	430	431	861	13,156	-	13,156	14,017
Travel	5,859	4,368	120	10,347	-	-	-	10,347
Other	954	650	694	2,298	8,402	-	8,402	10,700
Equipment rent and maintenance	-	392	18	410	11,062	-	11,062	11,472
Telephone	1,433	2,500	1,433	5,366	2,028	-	2,028	7,394
Printing and reproduction	-	-	-	-	1,382	-	1,382	1,382
Conferences and meetings	500	450	-	950	74	-	74	1,024
Postage	286	50	225	561	656	-	656	1,217
Advertising	50	-	-	50	1,501	-	1,501	1,551
Total Nonpersonnel Expenses	115,624	46,240	35,701	197,565	116,944	-	116,944	314,509
Total Before Depreciation	171,628	123,274	52,320	347,222	159,922	9,300	169,222	516,444
Depreciation	-	-	-	-	56,004	-	56,004	56,004
Total Expenses	\$ 171,628	\$ 123,274	\$ 52,320	\$ 347,222	\$ 215,926	\$ 9,300	\$ 225,226	\$ 572,448

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

**BETHLEHEM CENTERS OF NASHVILLE**  
**STATEMENTS OF CASH FLOWS**

*YEARS ENDED JUNE 30, 2020 AND 2019*

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 15,008	\$ (21,567)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	46,393	56,004
Changes in operating assets and liabilities:		
Accounts receivable	15,999	4,521
Prepaid expenses	(85)	2,228
Accounts payable and accrued expenses	3,576	(7,398)
Net cash provided by operating activities	<u>80,891</u>	<u>33,788</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(10,724)	(1,043)
Purchase of certificates of deposit	<u>(2,204)</u>	<u>(100,600)</u>
Net cash used in investing activities	<u>(12,928)</u>	<u>(101,643)</u>
Net increase (decrease) in cash and cash equivalents	67,963	(67,855)
Cash and cash equivalents, beginning of year	<u>83,530</u>	<u>151,385</u>
Cash and cash equivalents, end of year	<u><u>\$ 151,493</u></u>	<u><u>\$ 83,530</u></u>

# BETHLEHEM CENTERS OF NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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### **Note 1—Nature of operations and summary of significant accounting policies**

Bethlehem Centers of Nashville (the “Organization”) is a nonprofit corporation that provides programs designed to empower at-risk children and adults. The Organization’s activities are funded from various sources. As a United Methodist Mission Agency, the Organization receives church-related funding and support as well as contributions from foundations and individuals. In addition, the Organization receives support from United Way and participates in grants and awards from governmental agencies and other organizations. A brief description of the Organization’s programs are as follows:

*Adult Development* – serves adults of at-risk families by providing workforce development, serves homebound and disabled senior adults by providing meals, and serves senior adults with activities that promote health, wellness and empowerment.

*Youth Development* – serves at-risk youth by promoting self-esteem, team and job readiness/development, alcohol and drug prevention, and providing academic support and recreational activities.

*Community Outreach* – serves at-risk families by providing emergency food boxes, the Christmas Toy Store, educational programs, family counseling, internships, volunteer opportunities, information, advocacy, referrals, and the Family Resource Center.

*Basis of Presentation* – The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), as prescribed for not-for-profit organizations. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, 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. If a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restrictions. Donor restricted net assets related to time restrictions totaled \$22,500 and \$0 at June 30, 2020 and 2019, respectively.

*Cash and Cash Equivalents* – For purposes of the statements of cash flows, the Organization considers all cash funds, cash bank accounts, and highly liquid debt instruments with an original maturity when purchased of three months or less to be cash and cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk related to its cash held at financial institutions.

*Accounts Receivable* – Accounts receivable are reviewed periodically as to their collectability. Based on collection experience and management’s review, no allowance for doubtful accounts is considered necessary at June 30, 2020 and 2019.

*Contributions* – Contributions are recognized when received as contributions without restriction if specified for the current period and there are no donor-imposed restrictions. Contributions specified for future periods or with donor-imposed restrictions are recognized in the period received as contributions with restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are satisfied in the year in which the contributions are recognized. The Organization had \$22,500 in donor-restricted contributions at June 30, 2020 related to time restrictions.

# BETHLEHEM CENTERS OF NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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### Note 1—Nature of operations and summary of significant accounting policies (continued)

*Property and Equipment* – Property and equipment are recorded at cost. Expenditures for ordinary maintenance and repairs are charged to operations. Renewals and betterments that materially extend the life of the asset are capitalized. Depreciation is provided in amounts necessary to allocate the cost of the various classes of assets over their estimated useful lives using the straight-line method.

Estimated useful lives of all major classes of assets are as follows:

Building and improvements	25 – 40 years
Furniture and equipment	5 – 15 years
Vehicles	5 years

*Income Taxes* – The Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income taxes has been made.

The Organization follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification guidance clarifying the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. There are no tax penalties or interest reported in the accompanying financial statements.

*Adoption of Accounting Standards* – In June 2018, FASB issued Accounting Standards Update (“ASU”) 2018-08, *Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides guidance on determining whether a transaction should be accounted for as contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. The standard also provides guidance on determining whether a contribution is conditional, helping entities better distinguish a donor-imposed condition from a donor-imposed restriction. The Organization evaluated the new standard and determined that the accounting standard did not require a change to the Organization's practices for recording contributions.

In January 2016, FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance revises accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. The Organization evaluated the new standard and determined the accounting standard did not require a change to the Organization's practice for recording financial assets and liabilities.

In November 2016, FASB issued accounting standard ASU 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)*, which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This standard was adopted for the year ended June 30, 2020.

# BETHLEHEM CENTERS OF NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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### Note 1—Nature of operations and summary of significant accounting policies (continued)

*Accounting Policies for Future Pronouncements* – In May 2014, FASB issued ASU 2014-09. The amendments in this update create Topic 606, *Revenue from Contracts with Customers*, and supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. This guidance will be adopted for the year ended June 30, 2021. Management is currently evaluating the impact of this standard on the Organization's financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases*. This guidance introduces a lessee model that requires substantially all leases to be capitalized on the statement of financial position. This guidance is effective for the year ending June 30, 2023. Management is currently evaluating the impact of this standard on the Organization's financial statements.

*Donated Materials and Services* – Donated materials and vendor services, if any, are reflected as contributions and expenses in the accompanying statements of activities at their estimated values upon receipt.

The Organization receives a significant amount of donated services from unpaid volunteers who assist in various activities. During the years ended June 30, 2020 and 2019, the value of contributed services from individuals meeting the requirements for recognition in the financial statements was not significant and has not been recorded.

*Donated Assets* – Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

*Use of Estimates* – The preparation of financial statements in conformity with U.S. GAAP 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 reporting period. Actual results could differ from those estimates.

*Allocation of Functional Expenses* – Expenses that can be directly attributed to a particular function are charged to that function. Accordingly, certain costs have been categorized based on specific identification of costs incurred or allocated as determined by management.

The expenses that are allocated include the following:

<b><u>Expense</u></b>	<b><u>Method of Allocation</u></b>
Payroll and related expenses	Time and effort

*Subsequent Events* – The Organization evaluated subsequent events through February 11, 2021 when these financial statements were available to be issued.

# BETHLEHEM CENTERS OF NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

### Note 2—Liquidity and availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing programs and services designed to empower at-risk children and adults as well as to conduct services undertaken to support these services to be general expenditures.

As part of the Organization's liquidity management, it structures financial assets to be available as its general expenditures, liabilities, and other obligations become due. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following at June 30, 2020 and 2019:

	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 151,493	\$ 83,530
Certificates of deposit (interest rates of 2.47% and .15%; maturity dates March 15, 2021 and March 18, 2021, respectfully)	102,804	100,600
Investments	5,671	5,671
Accounts receivable	6,701	22,700
Financial assets available to meet general expenditures within one year	<u>\$ 266,669</u>	<u>\$ 212,501</u>

### Note 3—Accounts receivable

Accounts receivable consist of the following at June 30:

	2020	2019
Receivables related to governmental agencies - contracts and grants	<u>\$ 6,701</u>	<u>\$ 22,700</u>

### Note 4—Property and equipment

Property and equipment consist of the following at June 30:

	2020	2019
Buildings and improvements	\$ 1,410,726	\$ 1,410,726
Furniture and equipment	550,094	539,370
Vehicles	8,269	8,269
	1,969,089	1,958,365
Less accumulated depreciation	<u>(1,936,313)</u>	<u>(1,889,920)</u>
	<u>\$ 32,776</u>	<u>\$ 68,445</u>

Land, parking lots, and certain structures are leased through December 2027 from the Women's Division of the General Board of Global Ministries at no cost to the Organization. The value of the use of these properties is not readily determinable and therefore not included in the accompanying financial statements.

## **BETHLEHEM CENTERS OF NASHVILLE**

### **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2020 AND 2019*

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#### **Note 5—Note payable**

The Organization has a line of credit agreement with a financial institution that allows for borrowings up to \$50,000. The line of credit bears interest at a variable rate based on the prime rate (7.25% at June 30, 2020); is secured by balances held by the lender; and matures on demand at lender's sole discretion. No balances were outstanding on this line of credit as of June 30, 2020 and 2019.

#### **Note 6—Concentrations**

The Organization receives a substantial amount of its support through governmental fees and awards from private foundations. A significant reduction in the level of this support, if it were to occur, could have a substantial effect on the programs and services of the Organization.

#### **Note 7—Uncertainty**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in the financial markets. The coronavirus outbreak and government responses are creating disruption to global supply chains and adversely impacting many industries. The outbreak could have a material adverse impact on the economic and market conditions and trigger a period of global economic shutdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.