

BROOKLYN COMMUNITY PRIDE CENTER, INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Brooklyn Community Pride Center, Inc.

Table of Contents

Year Ended June 30, 2019

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14

Independent Auditor's Report

To the Board of Directors
Brooklyn Community Pride Center, Inc.
Brooklyn, New York

We have audited the accompanying financial statements of Brooklyn Community Pride Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Brooklyn Community Pride Center, Inc. as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standard

As discussed in Note 2 to the accompanying financial statements, the Organization adopted Accounting Standard Update 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities* on a retrospective basis. Our opinion is not modified with respect to that matter.

Gettry Marcus CPA, P.C.

Gettry Marcus CPA, P.C.
New York, New York
April 17, 2020

Brooklyn Community Pride Center, Inc.
Statement of Financial Position
June 30, 2019

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 227,886	\$ 98,938	\$ 326,824
Government grants receivable	69,333	-	69,333
Contributions receivable	20,830	-	20,830
Other income receivable	10,379	-	10,379
Prepaid expenses and other assets	<u>14,680</u>	<u>-</u>	<u>14,680</u>
Total current assets	<u>343,108</u>	<u>98,938</u>	<u>442,046</u>
Other assets			
Property and equipment, net	121,195	-	121,195
Security deposit	<u>23,062</u>	<u>-</u>	<u>23,062</u>
Total other assets	<u>144,257</u>	<u>-</u>	<u>144,257</u>
Total assets	<u><u>\$ 487,365</u></u>	<u><u>\$ 98,938</u></u>	<u><u>\$ 586,303</u></u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	\$ 19,828	\$ -	\$ 19,828
Deferred rent obligation	<u>19,424</u>	<u>-</u>	<u>19,424</u>
Total current liabilities	<u>39,252</u>	<u>-</u>	<u>39,252</u>
Net Assets			
Without donor restrictions	448,113	-	448,113
With donor restrictions	<u>-</u>	<u>98,938</u>	<u>98,938</u>
Total net assets	<u>448,113</u>	<u>98,938</u>	<u>547,051</u>
Total liabilities and net assets	<u><u>\$ 487,365</u></u>	<u><u>\$ 98,938</u></u>	<u><u>\$ 586,303</u></u>

Brooklyn Community Pride Center, Inc.
Statement of Activities
Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Foundations and trusts	\$ 154,936	\$ 44,500	\$ 199,436
Corporations	91,664	10,905	102,569
Individuals	18,649	-	18,649
Government grants	488,205	80,000	568,205
In-kind support	10,000	-	10,000
Special event revenue (net of direct benefit expenses of \$35,389)	22,011	-	22,011
Total support and revenues	<u>785,465</u>	<u>135,405</u>	<u>920,870</u>
Other income			
Room rental and licensing fees	57,116	-	57,116
Consulting fees	25,000	-	25,000
Interest income	616	-	616
Total other income	<u>82,732</u>	<u>-</u>	<u>82,732</u>
Net assets released from restrictions	<u>166,107</u>	<u>(166,107)</u>	<u>-</u>
Total support, revenues and other income	<u>1,034,304</u>	<u>(30,702)</u>	<u>1,003,602</u>
Functional expenses			
Program services	504,635	-	504,635
Fundraising services	113,267	-	113,267
Administration services	129,082	-	129,082
Total functional expenses	<u>746,984</u>	<u>-</u>	<u>746,984</u>
Increase (decrease) in net assets	287,320	(30,702)	256,618
Net assets - Beginning of year	<u>160,793</u>	<u>129,640</u>	<u>290,433</u>
Net assets - End of year	<u>\$ 448,113</u>	<u>\$ 98,938</u>	<u>\$ 547,051</u>

Brooklyn Community Pride Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2019

	<u>Program Services</u>	<u>Fundraising Services</u>	<u>Administration Services</u>	<u>Total Functional Expenses</u>
Accounting - Audit fees	\$ -	\$ -	\$ 12,987	\$ 12,987
Accounting - Bookkeeping	-	-	28,160	28,160
Advertising and promotion	2,629	612	213	3,454
Bank charges	-	-	934	934
Conferences & meetings	-	-	410	410
Consulting and professional fees	28,324	3,769	5,394	37,487
Depreciation expense	8,237	1,702	1,043	10,982
Employee benefits	16,740	5,693	3,641	26,074
Equipment rental	2,502	517	317	3,336
Filing fees	-	-	217	217
Insurance	3,572	738	452	4,762
Maintenance and renovation	2,721	562	345	3,628
Meals and entertainment	4,074	-	316	4,390
Memberships and subscriptions	-	-	634	634
Payroll taxes and fringe benefit	32,786	9,451	6,479	48,716
Postage and messenger	287	59	36	382
Rent	67,324	13,914	8,528	89,766
Salaries and wages	310,471	68,623	53,948	433,042
Staff and board training	-	4,372	-	4,372
Supplies	9,565	1,799	1,044	12,408
Travel	8,360	-	3,092	11,452
Utilities and telephone	7,043	1,456	892	9,391
Total expenses	<u><u>\$ 504,635</u></u>	<u><u>\$ 113,267</u></u>	<u><u>\$ 129,082</u></u>	<u><u>\$ 746,984</u></u>

See independent auditor's report and notes to financial statements.

Brooklyn Community Pride Center, Inc.
Statement of Cash Flows
Year Ended June 30, 2019

Cash flows from operating activities	
Increase in net assets	\$ 256,618
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	10,982
Deferred rent decrease	(1,327)
(Increase) decrease in operating assets:	
Government grants receivable	(61,698)
Contributions receivable	23,458
Other income receivable	(10,379)
Prepaid expenses and other assets	(9,388)
Security deposits	2,592
Decrease in operating liabilities:	
Accounts payable and accrued expenses	(6,640)
Total adjustments	<u>(52,400)</u>
Net cash provided by operating activities	204,218
Cash flows from investing activity	
Purchase of property and equipment	<u>(53,426)</u>
Net increase in cash	150,792
Cash - Beginning of year	<u>176,032</u>
Cash - End of year	<u><u>\$ 326,824</u></u>

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2019

Note 1 – Summary of Organization and Nature of Activities

Organization and Nature of Activities

Brooklyn Community Pride Center, Inc. (the “Organization”), is a nonprofit organization established in 2008 with the goal to become Brooklyn’s premier network of programs and services for the lesbian, gay, bisexual and transgender (“LGBTQ”) community of New York City’s largest borough.

At present, the Organization offers programs and events for the LGBTQ community including peer support service for youth, seniors, and trans persons; as well as art and cultural programming celebrating the LGBTQ community. Across the spectrum from young people to elders, the Brooklyn Community Pride Center enables the community to actively participate in positive, life-affirming activities. They offer a distinctive choice for the residents of Brooklyn to celebrate, heal, learn, create, organize, relax, socialize and play. The Organization’s work expands the quantity and quality of LGBTQ services in the community and strengthens the community from the inside out.

The Organization is supported primarily through donor contributions and grants.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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. The Board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. When a restriction expires (when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions of property and equipment or cash restricted for acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. If donors specify a length of time over which the property or equipment must be used, the restrictions expire evenly over the required period. Absent that type of restriction for use, the Organization considers the restriction met when the assets are placed in service. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Contributions and Expenditures

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give will be recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets will be reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities will be reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Uninsured Cash Balances

The Organization maintains cash balances at a bank in the New York metropolitan area. Cash accounts at the bank are insured by the Federal Deposit Insurance Corporation subject to certain limits. At times, cash balances may be in excess of the insured limits. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk on its cash.

Grants, Contributions and Other Income Receivable

Grants, contributions and other income receivable are stated at the amount management expects to collect from outstanding balances and are all due within one year. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. In the opinion of management, no allowance was necessary at June 30, 2019. The Organization does not charge interest on its receivables.

Property and Equipment and Related Depreciation Methods

Major property and equipment additions are recorded at cost if purchased, or, if in the case of donated property, at the fair value at the date of the gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to 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 contributions. Absent donor stipulations regarding how long these 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 temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets, which are as follows:

Office equipment	3 years
Leasehold improvements	15 years

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

The Organization evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. Impairment losses, if any, would be determined based on fair value, using the present value of the cash flows with discount rates that reflect the inherent risk of the underlying business. No impairment was required to be recognized for the year ended June 30, 2019.

Financial Instruments

The Organization's financial instruments include cash, government grants receivable, contributions receivable, other income receivable and accounts payable. The recorded values of cash, government grants receivable, contributions receivable, other income receivable and accounts payable approximates their fair values due to their short-term duration.

Tax-Exempt Status

The Organization has been notified by the Internal Revenue Service that it is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code ("Code"). The Organization is further classified as an organization that is not a private foundation under Section 509(a)(3) of the Code. The Organization follows the guidance of Accounting Standards Codification 740, *Accounting for Income Taxes*, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

Deferred Rent

The Organization has entered into an operating lease agreement which contains provisions for future rent increases. The total amount of rental payments due over the lease term is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to "Deferred rent obligation", which is included in liabilities in the accompanying balance sheet.

Government Grants

The Organization is the recipient of various grants from government agencies. Expenses charged to these grants are subject to audit by the government agencies. No provision for any potential liability for the current or prior years has been reflected in these financial statements.

In-Kind Contributions

During the year ended June 30, 2019, the value of in-kind contributions meeting the requirements for recognition in the financial statements was \$10,000, which was included in support on the statement of activities. In-kind contributions for the year ended June 30, 2019 were for leasehold improvements.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Functional Expenses and Allocation Method

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions. Accordingly, certain costs have been allocated among the programs and supporting services benefited, using appropriate measurement methodologies. The expenses that are being allocated include salaries and related expenses, which are allocated on the basis of estimates of time and effort, as well as facility services, which are allocated on a square footage basis.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates are based on past experience and other assumptions that management believes are reasonable under the circumstances, and management evaluates these estimates on an ongoing basis. The significant estimates of the Organization include no allowance for uncollectible receivables, no provision for potential recoupment of government grants, and estimated lives on property and equipment.

Advertising

Advertising costs are expensed as incurred. Advertising expenses amounted to \$3,454 for the year ended June 30, 2019.

Subsequent Events

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through April 17, 2020, the date the financial statements were available to be issued.

Recently Issued Accounting Standards Updates (“ASU”)

The Organization has reviewed recently issued ASU’s by the Financial Accounting Standards Board (“FASB”) and based on that review, has determined that those pronouncements, with the exceptions below, will not have a significant effect on the Organization’s financial statements

In August 2016, FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The ASU addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, and the information provided about expenses and investment return for Not-for-Profit entities. The Organization adopted the ASU retrospectively with effect to July 1, 2018. Accordingly, (i) net assets are presented in two categories (without donor restrictions and with donor restrictions) (ii) a liquidity footnote was added setting forth the information mandated by this ASU (iii) and, enhanced disclosures were provided in certain of the footnotes. The adoption of the ASU had no impact on the net assets (without donor restrictions or with donor restrictions) on the period presented.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

In May 2014, FASB issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU replaces all current U.S. GAAP guidance on this topic and eliminates industry-specific guidance. The topic, which was amended several times since, contains a core principle, that is, to recognize revenues when promised goods or services are transferred to customers in an amount that reflect the consideration to which an entity is expected to be entitled for those goods or services. The ASU defines a five-step process to achieve this core principle and, in so doing, more judgement and estimates may be required within the revenue recognition process than was previously required. This process includes identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocation the transaction to each performance obligation. The ASU is effective for annual periods beginning after December 15, 2018 using either one of these methods (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within the ASU, or, (b) retrospective with the cumulative effect of initially applying the ASU recognized at the date of initial application and providing certain additional disclosures as defined in the ASU. The Organization has not determined what impact the adoption of this ASU will have, if any, on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which has been amended several times since. This ASU, as amended, replaces all current U.S. GAAP guidance on this topic in the following manner:

- A lessee would account for both finance leases and operating leases by recognizing a right-of-use asset and a lease liability on the balance sheet, with an exception for leases that commence at or near the end of the underlying asset’s economic life. Finance leases will recognize amortization of the right-of-use asset separately from interest on the lease liability, and operating leases will recognize the lease expense on a straight line basis. Additionally, the ASU allows for the capitalization of only those costs, as initial direct costs, that are incurred due to the successful execution of a lease.
- Allows for an optional transition method to adopt this ASU for comparative financial statement presentations. Under this transition method, an entity initially applies the new lease standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of net assets (deficit) in the year of adoption. Consequently, an entity’s reporting for the comparative year presented in the financial statements in which it adopts the new lease standard will continue to be in accordance with current U.S. GAAP (Topic 840, Leases) although it will not be consistently applied to both years.
- The ASU, as amended, is effective for fiscal years beginning after December 15, 2021.

The Organization is evaluating the potential impact the adoption of this ASU, as amended, will have on its financial statements.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2019

Note 3 – Government Grants Receivable

Government grant income amounted to \$568,205 for the year ended June 30, 2019. The amount was awarded by the NYC Department for the Aging and NYC Department of Youth & Community Development. Government grants receivable at June 30, 2019 was \$69,333. In the opinion of management, no allowance for doubtful accounts is necessary at June 30, 2019.

Note 4 – Property and Equipment

Property and equipment consist of the following at June 30, 2019:

Office equipment	\$ 28,586
Leasehold improvements	111,138
Less: accumulated depreciation	<u>(18,529)</u>
	<u><u>\$ 121,195</u></u>

Depreciation expense for the year ended June 30, 2019 amounted to \$10,982.

Note 5 – Net Assets - With Donor Restrictions

Donor restricted net assets were for the following as of June 30, 2019:

Subject to expenditure for specified purpose:	
Pride path internship program	\$ 66,278
Transportation sponsorship	5,825
Arts and culture program	5,000
Vocational training for LGBTQ women	<u>4,335</u>
Total subject to expenditure for specified purpose	81,438
Subject to the passage of time:	
General operating support for 2019-2020	<u>17,500</u>
Total assets with donor restrictions	<u><u>\$ 98,938</u></u>

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2019

Note 5 – Net Assets - With Donor Restrictions (continued)

Releases from donor restricted net assets for the year ended June 30, 2019 were for the following:

Subject to expenditure for specified purpose:	
Wheelchair ramp construction	\$ 20,000
Pride path internship program	126,361
Transportation sponsorship	2,080
Vocational training for LGBTQ women	166
Total subject to expenditure for specified purpose	148,607
 Subject to the passage of time:	
Time restrictions	17,500
Total releases from restrictions	<u><u>\$ 166,107</u></u>

Note 6 – Commitments

During the year ended June 30, 2018, the Organization entered into an agreement to lease office space under a non-cancelable lease that began July 2017 and expires in July 2022. The total minimum annual lease payments, exclusive of escalations for taxes and other operating expenses are as follows:

Years Ending June 30,	
2020	\$ 83,074
2021	85,566
2022	88,133
Thereafter	3,677
	<u><u>\$ 260,450</u></u>

Note 7 – Risks and Uncertainties

The Organization is dependent upon contributions from the public for its revenue. The ability of the Organization to continue to elicit this level of contribution is dependent upon current and future economic conditions as well as income tax efficiencies.

Note 8 – Liquidity

As part of its liquidity management, the Organization established a liquid unrestricted net assets fund (“LUNA fund”) to maintain financial assets on hand to meet 90 days of normal operating expenses. The Organization’s goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due by maintaining adequate reserves in the LUNA fund. The Organization does not have a line of credit available to assist with liquidity management.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2019

Note 8 – Liquidity (continued)

The Organization's financial assets available within one year of the statement of financial position date for general expenditures, without limitations, are as follows:

Cash	\$ 326,824
Government grants receivable	69,333
Contributions receivable	20,830
Other income receivable	<u>10,379</u>
Financial assets at year end	427,366
Less: those unavailable for general expenditures within one year due to donor restrictions	<u>98,938</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 328,428</u>

The Organization's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance date. In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures through special event income, room rental and licensing fees and by utilizing donor-restricted resources from current and prior years. The statement of cash flows identifies the sources and uses of the Organization's cash and shows positive cash generated by operations of \$204,218 for the year ended June 30, 2019.

Note 9 – Subsequent Events

On February 11, 2020, the Organization signed a thirty-year lease on its new Crown Heights headquarters to be housed in a newly renovated space at Bedford-Union Armory. The new location is set to open in late 2020 or early 2021. The current location at 1360 Fulton Street will remain in place even after the new location opens.

The coronavirus pandemic has adversely impacted many other parts of the world and the United States especially in New York City. Accordingly, the Organization could experience reductions in contributions from donors and government grants, as well as increased costs resulting in a decrease in its program services. Currently, the Organization has not materially experienced these consequences. However, there could be an adverse impact on the Organization's activities as it is impossible to predict the long-term effect the coronavirus will have on the world economy.

The Organization has recently applied for assistance from the Small Business Administration under the CARES Act (to provide aid in the form of loans and other potential debt relief options). However, the Organization is subject to risk in the execution of the CARES ACT program, including funding and debt relief options.