



Audited Financial Statements

June 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Bay Ridge Center, Inc.

Opinion

We have audited the accompanying financial statements of Bay Ridge Center, Inc. ("BRC"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BRC as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BRC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BRC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

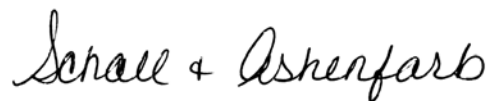
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 internal control of BRC. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of BRC to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited BRC's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

January 9, 2023

BAY RIDGE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2022
(With comparative totals at June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21*</u>
Assets		
Cash and cash equivalents	\$529,887	\$1,132,128
Government grants receivable	1,912,246	910,574
Prepaid expenses and other assets	164,624	28,918
Security deposits	240,800	7,020
Fixed assets, net (Note 3)	<u>810,410</u>	<u>282,907</u>
 Total assets	 <u><u>\$3,657,967</u></u>	 <u><u>\$2,361,547</u></u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$784,643	\$181,764
Refundable government advances	161,742	0
Loan payable (Note 4)	<u>450,000</u>	<u>450,000</u>
Total liabilities	<u><u>1,396,385</u></u>	<u><u>631,764</u></u>
Net assets:		
Net assets without donor restrictions:		
Undesignated	1,406,029	1,348,609
Fixed asset reserve	<u>810,410</u>	<u>282,907</u>
Total net assets without donor restrictions	<u><u>2,216,439</u></u>	<u><u>1,631,516</u></u>
Net assets with donor restrictions (Note 5)	<u>45,143</u>	<u>98,267</u>
Total net assets	<u><u>2,261,582</u></u>	<u><u>1,729,783</u></u>
 Total liabilities and net assets	 <u><u>\$3,657,967</u></u>	 <u><u>\$2,361,547</u></u>

*Reclassified for comparative purpose

The attached notes and auditors' report are an integral part of these financial statements.

BAY RIDGE CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/22</u>	<u>Total 6/30/21*</u>
Public support and revenue:				
Government grants	\$3,895,728		\$3,895,728	\$3,149,482
Contributions	182,366	\$116,826	299,192	393,766
Government grant - Paycheck Protection Program (Note 6)			0	230,923
In-kind rent (Note 7)	145,844		145,844	145,844
In-kind services (Note 7)	150,281		150,281	34,411
In-kind supplies (Note 7)			0	4,138
In-kind travel (Note 7)			0	7,894
Other income	17,537		17,537	9,453
Net assets released from restriction (Note 5)	169,950	(169,950)	0	0
Total public support and revenue	<u>4,561,706</u>	<u>(53,124)</u>	<u>4,508,582</u>	<u>3,975,911</u>
Expenses:				
Program services for the elderly	3,372,611		3,372,611	3,105,346
Supporting services:				
Management and general	562,834		562,834	471,011
Fundraising	41,338		41,338	36,340
Total supporting services	<u>604,172</u>	<u>0</u>	<u>604,172</u>	<u>507,351</u>
Total expenses	<u>3,976,783</u>	<u>0</u>	<u>3,976,783</u>	<u>3,612,697</u>
Change in net assets	584,923	(53,124)	531,799	363,214
Net assets - beginning of year	<u>1,631,516</u>	<u>98,267</u>	<u>1,729,783</u>	<u>1,366,569</u>
Net assets - end of year	<u><u>\$2,216,439</u></u>	<u><u>\$45,143</u></u>	<u><u>\$2,261,582</u></u>	<u><u>\$1,729,783</u></u>

*Reclassified for comparative purpose

The attached notes and auditors' report are an integral part of these financial statements.

BAY RIDGE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	<u>Supporting Services</u>			Total Supporting Services	Total Expenses 6/30/22	Total Expenses 6/30/21*
	Program Services for the Elderly	Management and General	Fundraising			
Salaries (including in-kind) (Note 7)	\$1,280,658	\$95,265	\$22,374	\$117,639	\$1,398,297	\$1,500,239
Payroll taxes and employee benefits	265,429	19,745	4,637	24,382	289,811	300,346
Total salaries and related expenses	<u>1,546,087</u>	<u>115,010</u>	<u>27,011</u>	<u>142,021</u>	<u>1,688,108</u>	<u>1,800,585</u>
Occupancy (including in-kind) (Note 7)	271,412	6,882		6,882	278,294	244,078
Consultants and professional fees (including in-kind) (Note 7)	257,278	400,398	10,163	410,561	667,839	385,230
Supplies and office	80,897	6,232	1,004	7,236	88,133	82,594
Telephone and communications	24,125	1,794	422	2,216	26,341	27,936
Food	879,081	160		160	879,241	767,882
Equipment and rental	38,320			0	38,320	11,529
Vehicle expenses	79,730	1,690		1,690	81,420	64,055
Liability insurance	53,002	3,943	926	4,869	57,871	50,520
Other expenses	42,465	19,271	61	19,332	61,797	52,122
Total expenses before depreciation	<u>3,272,397</u>	<u>555,380</u>	<u>39,587</u>	<u>594,967</u>	<u>3,867,364</u>	<u>3,486,531</u>
Depreciation	<u>100,214</u>	<u>7,454</u>	<u>1,751</u>	<u>9,205</u>	<u>109,419</u>	<u>126,166</u>
Total expenses	<u><u>\$3,372,611</u></u>	<u><u>\$562,834</u></u>	<u><u>\$41,338</u></u>	<u><u>\$604,172</u></u>	<u><u>\$3,976,783</u></u>	<u><u>\$3,612,697</u></u>

*Reclassified for comparative purpose

The attached notes and auditors' report are an integral part of these financial statements.

BAY RIDGE CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
Cash flows from operating activities:		
Change in net assets	\$531,799	\$363,214
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation	109,419	126,166
Changes in assets and liabilities:		
Government grants receivable	(1,001,672)	(228,703)
Prepaid expenses and other assets	(135,706)	(6,747)
Security deposits	(233,780)	0
Accounts payable and accrued expenses	602,879	31,369
Refundable government advances	161,742	(67,805)
Paycheck Protection Program loan payable	0	(230,923)
Total adjustments	<u>(497,118)</u>	<u>(376,643)</u>
Net cash flows provided by/(used for) operating activities	<u>34,681</u>	<u>(13,429)</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>(636,922)</u>	<u>(63,195)</u>
Net cash flows used for investing activities	<u>(636,922)</u>	<u>(63,195)</u>
Cash flows from financing activities:		
Loan proceeds	<u>0</u>	<u>450,000</u>
Net cash flows provided by financing activities	<u>0</u>	<u>450,000</u>
Net (decrease)/increase in cash and cash equivalents	(602,241)	373,376
Cash and cash equivalents - beginning of year	<u>1,132,128</u>	<u>758,752</u>
Cash and cash equivalents - end of year	<u><u>\$529,887</u></u>	<u><u>\$1,132,128</u></u>
Supplemental information:		
Interest expense	<u>\$0</u>	<u>\$0</u>
Income taxes	<u>\$0</u>	<u>\$0</u>

The attached notes and auditors' report are an integral part of these financial statements.

BAY RIDGE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 - Nature of Organization

Bay Ridge Center, Inc., (“BRC”) is a non-profit corporation whose mission is to provide services and programs for older adults that promote their well-being, support their independence, and encourage their involvement in the Bay Ridge community in Brooklyn, New York. BRC’s support comes primarily through governments grants.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

b. Basis of Presentation

BRC is required to report information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – represents those resources, the use of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity.

c. Revenue Recognition

BRC follows the requirements of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) 958-605 for recording contributions, which are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, 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. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Government grants have been evaluated and are considered to be conditional non-reciprocal transactions that fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred,

performance-related outcomes are achieved, and other conditions under the agreements are met. Cash received in advance of the conditions being met is treated as a liability.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

Bequests are recorded as income at the time there is a legal right to such bequest and the amount is measurable.

Historically there have been no significant bad debt losses. Management evaluates the need for doubtful accounts based on past experience and considers the age of the receivable. Based on this evaluation, it has been determined that no allowance for doubtful accounts is necessary. Receivables will be written off directly to expense when all reasonable collection efforts have been exhausted. At June 30, 2022 and 2021, all receivables were due within one year.

d. Cash and Cash Equivalents

All liquid investments with an initial maturity of three months or less are considered to be cash and cash equivalents.

e. Significant Concentrations

Financial instruments which potentially subject BRC to a concentration of credit risk consist of various cash accounts which have been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end, there was an uninsured balance; however, BRC has not experienced any losses due to bank failure.

Funding from New York City – Department for the Aging (DFTA) cumulatively amounted to \$3,096,072 or 73% of BRC's total support and revenue (excluding in-kind contributions) for the year ended June 30, 2022 and 2,326,824 or 61% for the year ended June 30, 2021.

Continued DFTA funding is not certain, and the discontinuance could have a significant impact on BRC's future sustainability. BRC's current Home Delivered Meals grant runs through December 31, 2023 with a renewal period through December 31, 2026. The annual contract amount is \$1,463,374. Additionally, BRC's current Neighborhood Senior Centers grant runs through December 15, 2024 with a renewal period through December 15, 2027. The annual contract amount is \$2,343,203.

f. Fixed Assets

Capital items purchased that are greater than \$2,500 and have a useful life of greater than one year are capitalized at cost. Fixed assets are depreciated using the straight-line method over the estimated useful life of the asset. When the grantor retains title to the equipment or when it is probable that the title will revert to the grantor upon certain contingent events, and are purchased with special grantor funds, the equipment is expensed in the year those funds were received and spent.

Funds disbursed for major structural improvements that benefit future periods are capitalized as building improvements and are depreciated over the estimated useful life of the building structure.

g. In-Kind Contributions

Donated marketable securities and other non-cash donations are recognized as contributions at their estimated fair values at the date of donation. Contributions of services that create or enhance non-financial assets, or require specialized skills, are performed by those who possess those skills, and would typically have been purchased if they had not been donated are also recognized at fair value.

Many individuals volunteer their time and perform a variety of services to assist with specific assistance programs, campaign solicitation, and various committee assignments. No amounts have been reflected in the financial statements for these types of donated services because they do not meet the criteria for recognition as outlined above.

h. Management Estimates

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

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following costs are allocated using time and effort as the basis:

- Salaries
- Payroll taxes and employee benefits
- Supplies and office
- Telephone and communications
- Insurance
- Depreciation

The following costs are allocated based on square footage:

- Occupancy
- In-kind legal

All other expenses have been charged directly to the applicable program or supporting services.

j. Prior Year Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with BRC's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

k. Tax Status and Accounting for Uncertainty of Income Taxes

BRC has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

BRC does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending June 30, 2019 and later are subject to examination by applicable taxing authorities.

l. New Accounting Pronouncement

FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

BRC is in the process of evaluating the impact this standard will have on future financial statements.

Note 3 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/22</u>	<u>6/30/21</u>	<u>Estimated Useful Life</u>
Vehicles	\$716,241	\$620,607	3 to 7 years
Office equipment	360,476	327,056	5 to 10 years
Building improvements	335,907	335,907	30 years
Construction in progress	<u>507,868</u>	<u>0</u>	Life of lease
	1,920,492	1,283,570	
Less: accumulated depreciation	<u>(1,110,082)</u>	<u>(1,000,663)</u>	
Total fixed assets, net	<u>\$810,410</u>	<u>\$282,907</u>	

Note 4 - Loan Payable

During the year ended June 30, 2021, BRC obtained an interest free loan from another non-profit organization of \$450,000 for working capital. The loan is due in equal quarterly payments commencing March 1, 2023 through December 1, 2024. The full amount of the loan was outstanding at June 30, 2022 and June 30, 2021.

Note 5 - Net assets With Donor Restrictions

Donor restricted net assets consist of the following:

	<u>June 30, 2022</u>			
	<u>Balance</u>		<u>Released</u>	<u>Balance</u>
	<u>7/1/21</u>	<u>Contributions</u>	<u>from</u>	<u>6/30/22</u>
			<u>Restrictions</u>	
Program restrictions:				
COVID response	\$98,267	\$74,826	(\$157,717)	\$15,376
SU-CASA	0	2,000	(1,333)	667
15 Bay Ridge Ave buildout	<u>0</u>	<u>40,000</u>	<u>(10,900)</u>	<u>29,100</u>
Total program restrictions	<u>\$98,267</u>	<u>\$116,826</u>	<u>(\$169,950)</u>	<u>\$45,143</u>

During the year ended June 30, 2021, all donor restricted net assets and amounts released from restriction were for COVID-19 pandemic response.

Note 6 - Paycheck Protection Program

During the year ended June 30, 2020, BRC obtained a loan from the Small Business Administration (“SBA”) through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven.

BRC has accounted for the PPP loan in accordance with FASB ASC 958-605, as it is considered to have traits similar to a conditional contribution. As all conditions were met during the year ended June 30, 2021, this was recognized as revenue. During the year ended June 30, 2022, BRC was notified that the loan was fully forgiven by the SBA.

Note 7 - In-Kind Contributions

The following summarizes the donated goods, services and space as well as how the related expenses were allocated:

	<u>Valuation Techniques and Inputs</u>
Occupancy	In valuing the contributed space, which is located in Brooklyn, New York, BRC estimated the fair value on the basis of recent comparable sales prices in the area’s real estate market.
Professional Services and Travel	Contributed services are valued at the estimated fair value based on current rates for similar services.
Supplies	BRC estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

The following schedule summarizes all in-kind services and materials recorded:

	<u>June 30, 2022</u>			
	Management and			
	<u>Programs</u>	<u>General</u>	<u>Fundraising</u>	<u>Total</u>
Occupancy	\$141,469	\$4,375	\$0	\$145,844
Services	<u>146,403</u>	<u>3,878</u>	<u>0</u>	<u>150,281</u>
Total	<u>\$287,872</u>	<u>\$8,253</u>	<u>\$0</u>	<u>\$296,125</u>

	<u>June 30, 2021</u>			
	Management and			
	<u>Programs</u>	<u>General</u>	<u>Fundraising</u>	<u>Total</u>
Occupancy	\$141,469	\$4,375	\$0	\$145,844
Supplies	3,796	269	73	4,138
Travel	7,894	0	0	7,894
Services	<u>34,411</u>	<u>0</u>	<u>0</u>	<u>34,411</u>
Total	<u>\$187,570</u>	<u>\$4,644</u>	<u>\$73</u>	<u>\$192,287</u>

Note 8 - Pension Plan

BRC maintains a tax deferred 403(b) retirement plan for employees who have been employed for at least 90 days. Employees who participate may designate a percentage of their salary, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. BRC can make discretionary contributions to the plan. During the years ended June 30, 2022 and 2021, BRC did not make employer contributions.

Note 9 - Related Party Transactions

During the years ended June 30, 2022 and 2021, Bethlehem Lutheran Church provided facilities for BRC at no charge (see Notes 2g and 7). A board member is the Pastor of the Church.

Note 10 - Commitments and Contingencies

Program Audits

Government supported projects are subject to audit by applicable granting agencies. Management does not feel it is probable that such an audit, if it were to occur, would result in any disallowed costs and has not established a reserve.

Line of Credit

During 2018, BRC entered into an agreement for a line of credit of \$500,000 that can be drawn upon as needed. During the years ended June 30, 2022 and June 30, 2021, there were no drawdowns made and the full amount was available at year end.

Operating Lease

During the year ended June 30, 2019, BRC entered into a lease agreement for space through April 2022, with an option to renew for an additional three years. During the year ended June 30, 2022, the option to renew was exercised for an additional three years through April 2025.

The future minimum lease payments are as follows:

Year ending:	June 30, 2023	\$44,924
	June 30, 2024	46,272
	June 30, 2025	<u>35,479</u>
Total		<u>\$126,675</u>

During the year ended June 30, 2022, BRC entered into another lease agreement for additional space for a fifteen-year term, with an option to renew for an additional ten years. BRC's obligation to pay rent commences upon the landlord's delivery of premises in the delivery condition as defined in the lease agreement. Future minimum lease payments over the life of the lease upon commencement will total \$12,350,112.

Note 11 - Availability and Liquidity

BRC maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, BRC operates its programs within a board approved budget and relies on grants and contributions to fund its operations and program activities.

The following reflects the BRC's financial assets at June 30, 2022 that are available to meet cash needs for general expenditures within one year:

Financial assets at period end:		
Cash and cash equivalents	\$529,887	
Government grants receivable due within one year	<u>1,912,246</u>	
Total financial assets		\$2,442,133
Less amounts not available for general expenditures:		
Donor contributions restricted to specific purposes		<u>(45,143)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$2,396,990</u>

Note 12 - Subsequent Events

Subsequent events have been evaluated through January 9, 2023, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.

Note 13 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which BRC operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these financial statements, the potential impact cannot be quantified.