



**USA BASKETBALL  
AND SUBSIDIARY**

**Consolidated Financial Statements**

**For the Year Ended September 30, 2020**

**And**

**Independent Auditors' Report**

# USA BASKETBALL AND SUBSIDIARY

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
USA Basketball and Subsidiary

We have audited the accompanying consolidated financial statements of USA Basketball and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2020, 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 1 to the consolidated financial statements, in 2020 the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as of and for the year ended September 30, 2020. Our opinion is not modified with respect to these matters.

## **Report on Summarized Comparative Information**

We have previously audited USA Basketball's 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated February 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Stockman Kast Ryan + Co. LLP*

February 3, 2021

## USA BASKETBALL AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2020 (with comparative totals for 2019)

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	2020	2019
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,587,208	\$ 2,067,320
Investments	30,381,862	28,867,759
Accounts receivable	53,724	732,401
Inventories	1,401,581	834,091
Other current assets	<u>4,999,637</u>	<u>4,450,800</u>
Total current assets	40,424,012	36,952,371
PROPERTY AND EQUIPMENT, NET	3,758,290	3,839,597
WEBSITE DEVELOPMENT COSTS, NET	<u>                    </u>	<u>40,199</u>
TOTAL	<u>\$ 44,182,302</u>	<u>\$ 40,832,167</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 457,511	\$ 2,328,619
Deferred revenue	7,060,105	6,290,603
Current portion of note payable	213,000	213,000
Conditional grant	<u>540,600</u>	<u>                    </u>
Total current liabilities	8,271,216	8,832,222
NOTE PAYABLE	<u>                    </u>	<u>213,000</u>
TOTAL LIABILITIES	<u>8,271,216</u>	<u>9,045,222</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>35,911,086</u>	<u>31,786,945</u>
TOTAL	<u>\$ 44,182,302</u>	<u>\$ 40,832,167</u>

See notes to consolidated financial statements.

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## USA BASKETBALL AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020 (with comparative totals for 2019)

	2020	2019
REVENUE		
Licensing and marketing – national teams	\$ 7,606,307	\$ 6,905,056
Investment income	2,113,957	595,963
Support from United States Olympic Committee	1,246,822	1,217,150
In-kind contributions	824,069	673,046
Men's Junior National Teams Program Funding	709,092	1,230,088
Licensing and funding – youth division	646,498	3,435,694
Sanctions and letters of clearance fees	116,058	179,548
Competition income		372,867
Other	<u>151,797</u>	<u>364,403</u>
Total revenue	<u>13,414,600</u>	<u>14,973,815</u>
EXPENSES		
Program services:		
Events:		
Senior National Team – Women	1,722,702	730,231
Junior National Teams – Men	892,023	1,328,580
Olympic Qualifying Team – Women	751,917	
World Cup Qualifying Teams – Men	703,273	839,898
3X3 Championships	647,717	1,165,283
Senior National Team – Men	267,705	4,940,503
U18/U19 FIBA Championships – Men	215,452	499,283
U16/U17 FIBA Championships – Women	175,208	376,365
U16/U17 FIBA Championships – Men	169,366	431,032
U18/U19 FIBA Championships – Women	166,518	401,190
Hoop Summit – Men	122,062	294,050
Pan Am Women		221,412
Youth Division	1,949,902	3,309,834
Other program services	<u>31,394</u>	<u>49,401</u>
Total program services	<u>7,815,239</u>	<u>14,587,062</u>

(Continued)

## USA BASKETBALL AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020 (with comparative totals for 2019)

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	2020	2019
Supporting services:		
General and administrative	749,549	812,143
Fundraising	<u>725,671</u>	<u>527,373</u>
Total supporting services	<u>1,475,220</u>	<u>1,339,516</u>
Total expenses	<u>9,290,459</u>	<u>15,926,578</u>
CHANGE IN NET ASSETS	4,124,141	(952,763)
NET ASSETS, Beginning of year	<u>31,786,945</u>	<u>32,739,708</u>
NET ASSETS, End of year	<u><u>\$ 35,911,086</u></u>	<u><u>\$ 31,786,945</u></u>

(Concluded)

See notes to consolidated financial statements.

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## USA BASKETBALL AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2020 (with comparative totals for 2019)

	2020				2019 Total
	Program Services	General and Administrative	Fundraising	Total	
EXPENSES					
Salaries and benefits	\$ 3,142,132	\$ 618,501	\$ 237,399	\$ 3,998,032	\$ 3,802,104
Events and programs	3,504,730			3,504,730	10,113,943
Professional fees	675,519	17,760	6,817	700,096	641,143
Commissions			454,875	454,875	387,786
Depreciation and amortization	120,914	25,054	9,617	155,585	255,199
Insurance	102,259	21,189	8,133	131,581	174,964
Building expense	99,264	12,176	4,673	116,113	124,984
Office expense	56,942	7,042	2,703	66,687	85,461
Travel expense	40,274	3,789	1,454	45,517	170,253
Dues	39,471			39,471	43,318
Meetings		29,303		29,303	48,895
Research and development		13,633		13,633	29,487
Publications	8,021			8,021	19,167
Other	25,713	1,102		26,815	29,874
TOTAL	<u>\$ 7,815,239</u>	<u>\$ 749,549</u>	<u>\$ 725,671</u>	<u>\$ 9,290,459</u>	
PERCENTAGE OF TOTAL	<u>84%</u>	<u>8%</u>	<u>8%</u>	<u>100%</u>	
COMPARATIVE TOTALS - 2019	<u>\$ 14,587,062</u>	<u>\$ 812,143</u>	<u>\$ 527,373</u>		<u>\$ 15,926,578</u>
PERCENTAGE OF TOTAL - 2019	<u>92%</u>	<u>5%</u>	<u>3%</u>		<u>100%</u>

See notes to consolidated financial statements.



## USA BASKETBALL AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2020 (with comparative totals for 2019)

	2020	2019
OPERATING ACTIVITIES		
Change in net assets	\$ 4,124,141	\$ (952,763)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized (gains) losses on investments	(1,537,526)	27,946
Depreciation and amortization	155,586	255,199
Changes in operating assets and liabilities:		
Accounts receivable	678,677	(391,316)
Inventories	(567,490)	(36,509)
Other current assets and deposits	(548,837)	(2,743,570)
Accounts payable and accrued liabilities	(1,871,108)	494,395
Deferred revenue	769,502	2,718,052
Conditional grant	540,600	
Net cash provided by (used in) operating activities	<u>1,743,545</u>	<u>(628,566)</u>
INVESTING ACTIVITIES		
Purchases of investments	(2,027,627)	(1,999,441)
Proceeds from sales of investments	2,051,050	3,399,549
Purchases of property and equipment	<u>(34,080)</u>	<u>(7,319)</u>
Net cash provided by (used in) investing activities	<u>(10,657)</u>	<u>1,392,789</u>
FINANCING ACTIVITIES		
Net cash used in financing activities—		
Principal payments on note payable	<u>(213,000)</u>	<u>(213,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,519,888	551,223
CASH AND CASH EQUIVALENTS, Beginning of year	<u>2,067,320</u>	<u>1,516,097</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 3,587,208</u>	<u>\$ 2,067,320</u>

See notes to consolidated financial statements.

# USA BASKETBALL AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** — USA Basketball is the national governing body for the sport of basketball and was established for the development of amateur basketball and international competition in the United States. USA Basketball is the United States member of Federation Internationale de Basketball (FIBA), the international governing body for basketball.

**Principles of Consolidation** — The consolidated financial statements include USA Basketball and its subsidiary, the USA Basketball Foundation (collectively, the Organization). All intercompany accounts and transactions have been eliminated.

**Basis of Presentation** — The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represent the expendable resources that are available for operations at management's discretion; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time and resources for which use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

**Cash Equivalents** — All highly liquid temporary investments maturing within three months of their acquisition are considered to be cash equivalents.

**Investments** — The Organization records its investments at fair value in the consolidated statement of financial position with gains and losses included in the consolidated statement of activities. See Note 5 for more information on the fair values of investments.

**Accounts Receivable** — Accounts receivable are stated at the invoiced or contract amount. Accounts receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary.

**Inventories** — Inventories are stated at the lower of cost (if contributed, fair value on the date of the contribution) or net realizable value, principally on a first-in, first-out basis. Inventories consist primarily of equipment and apparel.

**Property and Equipment** — All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is provided on property and equipment over their estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Building	39 years
Office furniture and equipment	3 - 10 years

The Organization measures its property and equipment for impairment when certain indicators arise.

**Licensing Fees** — Licensing fees under the Organization 's licensing and marketing agreements (see Note 4) are receivable in installments and are recorded as revenue during the period in which the installment is due. The related expenses are recorded as incurred.

**Contributions** — Contributions received are recorded as with or without donor restriction support depending on the existence and nature of any donor restrictions. In-kind contributions consist primarily of apparel and are recognized at the fair value of the goods received.

**Website Development Costs** — During the years ended September 30, 2017, 2016 and 2014, respectively, the Organization capitalized \$859,275 of website development costs. The website development costs are being amortized over a three-year period. Amortization expense was \$40,199 and \$143,392 for the years ended September 30, 2020 and 2019, respectively.

**Use of Estimates** — The preparation of the Organization's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes** — For Federal income tax purposes, the Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to Federal income taxes. The Organization believes that it does not have any uncertain tax positions that are material to the consolidated financial statements.

**Changes in Accounting Principle** — In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which replaces numerous requirements in U.S. GAAP, including industry-specific requirements, and provides organizations with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. During the year ended September 30, 2020, management implemented ASU 2014-09 and adjusted the presentation in these consolidated financial statements accordingly. The ASU has been applied using a modified-retrospective approach during the year ended September 30, 2020 and had no effect on the consolidated financial statements.

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which provides clarity related to determination of contributions, including conditional contributions, and exchange transactions. During the year ended September 30, 2020, management implemented ASU 2018-08 and adjusted the presentation in these consolidated financial statements accordingly. The ASU has been applied using a modified-prospective approach during the year ended June 30, 2020 and had no effect on the consolidated financial statements.

**Subsequent Events** — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the consolidated financial statements were available for issuance.

## 2. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of September 30, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the balance sheet date because of contractual restrictions. Amounts not available include net assets with donor restrictions.

	2020	2019
Cash and cash equivalents	\$ 3,587,208	\$ 2,067,320
Investments	30,381,862	28,867,759
Accounts receivable	<u>53,724</u>	<u>732,401</u>
Total	<u>\$ 34,022,794</u>	<u>\$ 31,667,480</u>

As part of the Organization'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. The Organization manages its cash flow through monthly analysis of budgeted expenses compared to cash and cash equivalents.

## 3. FUNCTIONAL EXPENSES ALLOCATION METHODS

The Organization maintains its accounting records on the basis of natural expense classifications and accordingly, certain categories of expenses that are attributable to one or more program or supporting services. Therefore, expenses that are allocated include wages and related benefits, occupancy costs, insurance and other expenses which are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services.

## 4. LICENSING AND MARKETING AGREEMENTS WITH NBA PROPERTIES, INC.

The Organization has licensing and marketing agreements with NBA Properties, Inc. (NBAP), whereunder NBAP engages in marketing and promotional activities on behalf of the Organization. NBAP is an affiliated entity of the National Basketball Association (NBA), an active member of the Organization. Also, certain employees of the NBA serve on the Board of Directors of the Organization. The contracts arranged by NBAP under the agreements permit the use by the licensees of the Organization's name and marks and the likenesses of certain basketball players who participate on the Organization's teams. The Organization records the income under these contracts as licensing and marketing – national teams revenue in the accompanying consolidated statement of activities. During year ended September 30, 2017, the Organization and NBAP entered into a new licensing and marketing agreement which expires on December 31, 2024 and is cancellable in four years. During the years ended September 30, 2020 and 2019, revenue from NBAP totaled \$7,380,312 and \$6,905,056, respectively. As of

September 30, 2019, the Organization had \$39,595 in accounts receivable due from NBAP. No amounts were due as of September 30, 2020.

## **5. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The Organization has placed funds with the United States Olympic Endowment (the USOE) and with an investment management company. The Organization invests in investment securities which are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in the Organization's consolidated financial statements.

The Organization is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments in equity and fixed income mutual funds and exchange traded funds (ETF) are priced at quoted prices in active markets.

The Organization's investment in the USOE portfolio is valued at fair value using the net asset value of the portfolio provided by the USOE. Certain alternative investments within the USOE portfolio are stated at the estimated fair values of the underlying investments, based on quoted market prices and fair values as estimated by the managers of the related investments.

The Organization may terminate its investment agreement with the USOE effective at the end of any calendar month upon the giving of at least 90 days written notice or upon shorter notice acceptable to the USOE if the USOE determines that adequate liquidity exists in the portfolio to permit early termination.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>2020:</b>				
U.S. Olympic Endowment portfolio	\$ 9,112,618		\$ 9,112,618	
Fixed income mutual funds	6,975,866	\$ 6,975,866		
International equity mutual fund	6,117,759	6,117,759		
Domestic equity mutual fund	5,744,241	5,744,241		
Equity ETF	<u>2,431,378</u>	<u>2,431,378</u>		
Total	<u>\$ 30,381,862</u>	<u>\$ 21,269,244</u>	<u>\$ 9,112,618</u>	<u>\$ —</u>
<b>2019:</b>				
U.S. Olympic Endowment portfolio	\$ 8,401,897		\$ 8,401,897	
Fixed income mutual funds	5,819,427	\$ 5,819,427		
International equity mutual fund	6,045,760	6,045,760		
Domestic equity mutual fund	5,962,949	5,962,949		
Equity ETF	<u>2,637,726</u>	<u>2,637,726</u>		
Total	<u>\$ 28,867,759</u>	<u>\$ 20,465,862</u>	<u>\$ 8,401,897</u>	<u>\$ —</u>

As of September 30, 2020, the USOE portfolio consists of the following investments:

Domestic equities	33%
Alternative investments	18%
International equities	18%
Real assets	10%
Private equity	12%
Domestic bonds	5%
Cash and other	<u>4%</u>
Total	<u>100%</u>

The USOE alternative investments consist of hedge equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts, and funds of funds. As a group, the alternative investments invest in a variety of securities including, but not limited to, foreign and domestic publicly traded equity and debt securities, foreign and domestic fixed income investments, domestic commercial and residential real estate, options, warrants, derivatives and contracts.

The Organization's investment income consists of the following for the years ended September 30:

	<b>2020</b>	<b>2019</b>
Dividend and interest income	\$ 576,431	\$ 623,909
Net realized gains	667,318	357,590
Net unrealized gains (losses)	<u>870,208</u>	<u>(385,536)</u>
Investment income	<u>\$ 2,113,957</u>	<u>\$ 595,963</u>

## 6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<b>2020</b>	<b>2019</b>
Buildings and improvements	\$ 3,979,366	\$ 3,979,366
Office furniture and equipment	<u>108,571</u>	<u>74,492</u>
Total	4,087,937	4,053,858
Less accumulated depreciation	<u>329,647</u>	<u>214,261</u>
Property and equipment, net	<u>\$ 3,758,290</u>	<u>\$ 3,839,597</u>

Depreciation expense was \$115,386 and \$111,807 for the years ended September 30, 2020 and 2019, respectively.

**7. RETIREMENT PLAN**

The Organization has a defined contribution pension plan covering substantially all employees. Contributions to the plan are equal to 16% of eligible salaries. Employees may also make after-tax voluntary contributions which, along with the Organization's contributions, are 100% vested. The Organization's contributions for the years ended September 30, 2020 and 2019 were \$411,002 and \$382,851, respectively.

**8. CONCENTRATIONS**

Certain financial instruments potentially subject the Organization to concentrations of credit risk. These financial instruments consist primarily of cash balances that periodically exceed FDIC limits.

During 2020 and 2019, revenue generated from sponsorship agreements negotiated by NBAP accounted for 56% and 46%, respectively, of the Organization's total revenue (see Note 4).

**9. NOTE PAYABLE**

During 2018, the Organization entered into a \$639,000 promissory note payable to an outside organization in connection with the acquisition of a building. The note is unsecured and is interest free. The note is payable in annual payments of principal of \$213,000 through 2021. As of September 30, 2020, the future minimum payment under the note is \$213,000.

**10. CONDITIONAL GRANT**

The Organization received a \$540,600 Paycheck Protection Program (PPP) Loan established by the CARES Act and has elected to account for the funding as a conditional contribution by applying ASC Topic 958-605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting FTE and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to the recognition of revenue. If conditions are met, the amount of the refundable advance will be forgiven. As of September 30, 2020, no amount has been recorded as being forgiven as conditions have not been met, including the covered period, which ended after September 30, 2020.

**11. UNCERTAINTIES**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.



The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Given the daily evolution of the COVID-19 outbreak and the global response to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.