

BRYN MAWR FILM INSTITUTE
FINANCIAL STATEMENTS
(AND INDEPENDENT AUDITOR'S REPORT)
DECEMBER 31, 2019 AND 2018



Independent Auditor's Report

Board of Directors
Bryn Mawr Film Institute

We have audited the accompanying financial statements of Bryn Mawr Film Institute (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 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 Bryn Mawr Film Institute as of December 31, 2019 and 2018, 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.

Isdane + Company LLC

May 21, 2020

BRYN MAWR FILM INSTITUTE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 1,976,667	\$ 1,446,271
Contributions and grants receivable	58,498	110,748
Prepaid expenses and other	<u>50,088</u>	<u>42,978</u>
Total current assets	2,085,253	1,599,997
Property and equipment, net	7,725,786	7,915,134
Contributions and grants receivable	75,000	14,000
Investments, at fair value	<u>1,574,069</u>	<u>1,285,512</u>
Total assets	<u><u>\$11,460,108</u></u>	<u><u>\$10,814,643</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 271,521	\$ 198,366
Deferred revenue	<u>423,018</u>	<u>403,366</u>
Total current liabilities	694,539	601,732
Note payable	<u>500,000</u>	<u>500,000</u>
Total liabilities	<u>1,194,539</u>	<u>1,101,732</u>
Net assets:		
Without donor restrictions:		
Board designated for endowment	1,574,069	1,285,512
Undesignated	<u>8,504,508</u>	<u>8,207,280</u>
	10,078,577	9,492,792
With donor restrictions	<u>186,992</u>	<u>220,119</u>
	<u>10,265,569</u>	<u>9,712,911</u>
Total liabilities and net assets	<u><u>\$11,460,108</u></u>	<u><u>\$10,814,643</u></u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions			With Donor Restrictions	
	Operating	Board Designated	Total		Total
Revenues and support:					
Admissions	\$1,746,445	\$ -	\$1,746,445	\$ -	\$1,746,445
Concessions	291,026	-	291,026	-	291,026
Membership	529,945	-	529,945	-	529,945
Rentals	59,665	-	59,665	-	59,665
Sponsorships	126,260	-	126,260	-	126,260
Education programs	129,389	-	129,389	-	129,389
Contributions	387,933	-	387,933	126,748	514,681
Special events	31,980	-	31,980	-	31,980
Less direct costs of special events	(14,164)	-	(14,164)	-	(14,164)
Investment income	31,449	30,314	61,763	-	61,763
Net unrealized gain on investments	-	250,477	250,477	-	250,477
Donated services	5,657	-	5,657	-	5,657
Miscellaneous	15,938	-	15,938	-	15,938
Net assets released from restrictions	159,875	-	159,875	(159,875)	-
	<u>3,501,398</u>	<u>280,791</u>	<u>3,782,189</u>	<u>(33,127)</u>	<u>3,749,062</u>
Expenses:					
Program services	2,462,926	-	2,462,926	-	2,462,926
Management and general	516,100	-	516,100	-	516,100
Membership and fundraising	217,378	-	217,378	-	217,378
	<u>3,196,404</u>	<u>-</u>	<u>3,196,404</u>	<u>-</u>	<u>3,196,404</u>
Change in net assets	304,994	280,791	585,785	(33,127)	552,658
Interfund transfer	(7,766)	7,766	-	-	-
Net assets at beginning of year	<u>8,207,280</u>	<u>1,285,512</u>	<u>9,492,792</u>	<u>220,119</u>	<u>9,712,911</u>
Net assets at end of year	<u>\$8,504,508</u>	<u>\$1,574,069</u>	<u>\$10,078,577</u>	<u>\$186,992</u>	<u>\$10,265,569</u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions			With Donor Restrictions	
	Operating	Board Designated	Total		Total
Revenues and support:					
Admissions	\$1,719,732	\$ -	\$1,719,732	\$ -	\$1,719,732
Concessions	279,590	-	279,590	-	279,590
Membership	563,471	-	563,471	-	563,471
Rentals	69,615	-	69,615	-	69,615
Sponsorships	133,449	-	133,449	-	133,449
Education programs	105,769	-	105,769	-	105,769
Contributions	390,559	-	390,559	87,018	477,577
Special events	49,750	-	49,750	-	49,750
Less direct costs of special events	(14,690)	-	(14,690)	-	(14,690)
Investment income	30,072	23,269	53,341	-	53,341
Net unrealized loss on investments	(1,706)	(103,595)	(105,301)	-	(105,301)
Donated services	3,209	-	3,209	-	3,209
Miscellaneous	9,482	-	9,482	-	9,482
Net assets released from restrictions	120,984	-	120,984	(120,984)	-
	<u>3,459,286</u>	<u>(80,326)</u>	<u>3,378,960</u>	<u>(33,966)</u>	<u>3,344,994</u>
Expenses:					
Program services	2,369,552	-	2,369,552	-	2,369,552
Management and general	520,391	-	520,391	-	520,391
Membership and fundraising	207,041	-	207,041	-	207,041
	<u>3,096,984</u>	<u>-</u>	<u>3,096,984</u>	<u>-</u>	<u>3,096,984</u>
Change in net assets	362,302	(80,326)	281,976	(33,966)	248,010
Interfund transfer	(409,715)	409,715	-	-	-
Net assets at beginning of year	<u>8,254,693</u>	<u>956,123</u>	<u>9,210,816</u>	<u>254,085</u>	<u>9,464,901</u>
Net assets at end of year	<u><u>\$8,207,280</u></u>	<u><u>\$1,285,512</u></u>	<u><u>\$9,492,792</u></u>	<u><u>\$220,119</u></u>	<u><u>\$9,712,911</u></u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	Program Services	Management and General	Membership and Fundraising	Total	Program Services	Management and General	Membership and Fundraising	Total
Payroll, taxes, and benefits	\$ 721,444	\$267,633	\$174,543	\$1,163,620	\$ 694,706	\$268,918	\$156,869	\$1,120,493
Accounting and audit	-	18,000	-	18,000	-	18,000	-	18,000
Advertising and promotion	6,206	18,619	-	24,825	5,622	16,867	-	22,489
Bank charges	64,777	-	3,409	68,186	56,214	168	2,959	59,341
Building maintenance	81,888	22,047	1,050	104,985	85,035	22,380	683	108,098
Concessions	82,905	18,665	-	101,570	71,529	15,462	-	86,991
Depreciation	271,906	73,206	3,486	348,598	271,386	71,424	2,179	344,989
Donated services	3,758	-	1,899	5,657	-	-	3,209	3,209
Faculty	39,857	-	2,134	41,991	36,327	-	10,308	46,635
Film rental	900,875	-	-	900,875	847,816	-	-	847,816
Insurance	31,892	8,587	409	40,888	36,106	9,502	290	45,898
Interest	-	-	-	-	30,840	8,117	248	39,205
Miscellaneous	12,355	1,484	3,953	17,792	15,730	1,538	2,596	19,864
Office	25,488	20,128	8,724	54,340	20,114	21,673	8,796	50,583
Postage and mailing	9,625	4,897	4,278	18,800	5,639	6,822	5,124	17,585
Printing	26,479	5,503	11,705	43,687	20,865	6,226	12,233	39,324
Professional fees	16,499	30,164	20	46,683	16,950	26,499	20	43,469
Real estate taxes	49,922	13,440	640	64,002	49,443	13,012	397	62,852
Ticket fees	57,049	-	-	57,049	39,384	-	-	39,384
Travel	9,016	-	474	9,490	13,475	-	709	14,184
Utilities	50,985	13,727	654	65,366	52,371	13,783	421	66,575
	<u>\$2,462,926</u>	<u>\$516,100</u>	<u>\$217,378</u>	<u>\$3,196,404</u>	<u>\$2,369,552</u>	<u>\$520,391</u>	<u>\$207,041</u>	<u>\$3,096,984</u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 552,658	\$ 248,010
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	348,598	344,989
Net unrealized (gain) loss on investments	(250,477)	105,301
Changes in assets and liabilities:		
Contributions and grants receivable	(8,750)	89,486
Prepaid expenses and other	(7,110)	17,964
Accounts payable and accrued expenses	73,155	(27,987)
Deferred revenue	19,652	(14,146)
	<u>727,726</u>	<u>763,617</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(159,250)	(11,248)
Purchase of investments	(38,080)	(434,690)
	<u>(197,330)</u>	<u>(445,938)</u>
Net cash used in investing activities		
Cash used in financing activities:		
Repayment of long-term debt	-	(1,104,219)
	<u>-</u>	<u>(1,104,219)</u>
Net increase (decrease) in cash and cash equivalents	530,396	(786,540)
Cash and cash equivalents at beginning of year	<u>1,446,271</u>	<u>2,232,811</u>
Cash and cash equivalents at end of year	<u><u>\$1,976,667</u></u>	<u><u>\$1,446,271</u></u>
Supplemental disclosure:		
Cash paid for interest	<u><u>\$ -</u></u>	<u><u>\$ 43,729</u></u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Bryn Mawr Theatre Film Institute, dba Bryn Mawr Film Institute (the “Institute”) is a Pennsylvania nonprofit corporation formed in 2002 for the purpose of purchasing and restoring the Bryn Mawr Theater, a nationally registered historical landmark located in Bryn Mawr, Pennsylvania, to create and operate a film institute to expose the film-going public to the best of world cinema, to expand audiences for films of historical, cultural, and artistic significance, and to educate the general public through discussion groups, workshops and seminars on the appreciation of films and filmmaking.

Basis of Presentation

Accounting principles generally accepted in the United States of America require classification of a nonprofit organization’s net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for general operations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Institute did not have any net assets to be held in perpetuity as of December 31, 2019 or 2018.

Adoption of New Accounting Pronouncements

Effective in 2019, the Institute adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 606, “Revenue from Contracts with Customers” (“ASC 606”) and all related amendments. ASC 606 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard requires an entity to recognize revenue to reflect the transfer of promised goods or services to customers in an amount equal to the consideration to which the entity expects to be entitled to receive in exchange for those goods or services. ASC 606 also requires additional financial statement footnote disclosures. BMFI adopted this standard using the modified retrospective method approach, however, there was no cumulative-effect adjustment required to be recognized at the date of adoption. The adoption of ASC 606 did not have a material impact on BMFI’s financial position, results of operations or cash flows.

Effective in 2019, the Institute adopted FASB Accounting Standards Update (“ASU”) 2018-08, “Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made”, which requires that an entity evaluate whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. The implementation of ASU 2018-08 did not have a material effect on the Institute’s financial position, results of operations or cash flows. There was no cumulative-effect adjustment required to be recognized at the date of adoption.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

In accordance with ASC 606, BMFI recognizes revenues primarily via the following steps:

- Identification of the contract with the customer;
- Identification of the performance obligation(s) under the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligation(s); and
- Recognition of revenue as (or when) BMFI satisfies the identified performance obligation(s).

Admissions and Concessions Revenue

Earned revenues are generated principally through admissions and concessions sales with proceeds received in cash or via credit card at the point of sale. Admissions and concessions are recognized as revenues in the period earned as the related films are presented.

Membership Revenue

Membership revenue is recognized as substantive benefits are available to members, which is measured as a single performance obligation satisfied over time. Amounts not yet earned by the end of the fiscal year are recorded as a contract liability (deferred revenue). At December 31, 2019 and 2018, respectively, deferred membership revenues totaled \$312,291 and \$297,551.

Contributions and Grants

Contributions and grants received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. The Institute has elected to report as without donor restrictions, donor-restricted contributions whose restrictions are met in the same reporting period. Unconditional promises to give are recorded at fair value. No allowance for uncollectible receivables was considered necessary at December 31, 2019 or 2018.

Cash and Cash Equivalents

The Institute considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents are primarily held in operating accounts at major financial institutions and also in money market mutual funds, in which the Institute is exposed to market and credit risk. The Institute's uninsured cash balances total \$1,697,474 and \$1,012,658 at December 31, 2019 and 2018, respectively.

Functional Allocation of Expenses

The costs of providing the various program and supporting services activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Certain expenses applicable to more than one program or activity have been allocated among the programs and supporting services based on activities of personnel and the usage of materials and services.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Property and Services

In-kind contributions are recognized in the financial statements if the services or goods received enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no such contributions for the years ended December 31, 2019 or 2018.

Contributed securities and other non-cash donations are recorded at their fair values at the date of donation.

Advertising

Advertising and promotion costs are expensed as incurred. Advertising and promotion expense totaled \$24,825 and \$22,489 for the years ended December 31, 2019 and 2018, respectively.

Property and Equipment

Property and equipment are stated at cost. Major renewals and improvements are capitalized, while maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. Depreciation is provided by the straight-line method over estimated useful lives of the assets as follows:

Building and improvements	5-40 years
Furniture, equipment and software	5-15 years

Fair Value Measurements

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Changes in unrealized gains and losses resulting from changes in fair value are reflected in the statements of activities. Dividends and interest are reported as investment income as they are earned. See Note 3 for a summary of inputs used to value the Institute's investments reported at fair value.

Investment securities 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 investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Income Taxes

The Institute is a public charity that has obtained an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for federal or state income taxes. The Institute is subject, however, to federal income taxes on unrelated business taxable income.

Pursuant to FASB Accounting Standards Codification ("ASC") Topic 740, the Institute recognizes tax benefits only if it is more likely than not that a tax position will be sustained upon examination. No liability for uncertain tax positions was recorded as of December 31, 2019 or 2018.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Subsequent Events

Management has evaluated subsequent events through May 21, 2020, which is the date the Institute's financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity 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. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

(2) CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable as of December 31, 2019 and 2018 are expected to be collected as follows:

	2019	2018
Within one year	\$58,498	\$110,748
One to five years	75,000	14,000
	<u>\$133,498</u>	<u>\$124,748</u>

(3) FAIR VALUE MEASUREMENTS

The Institute has adopted authoritative accounting guidance related to fair value measurements. The guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal market or, in the absence of a principal market, the most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. This guidance also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The following tables present the fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2019 and 2018:

December 31, 2019	Total	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual and exchange-traded funds	<u>\$1,574,069</u>	<u>\$1,574,069</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2018				
Mutual and exchange-traded funds	<u>\$1,285,512</u>	<u>\$1,285,512</u>	<u>\$ -</u>	<u>\$ -</u>

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(4) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2019 and 2018:

	2019	2018
Land	\$ 459,375	\$ 459,375
Buildings and improvements	9,594,411	9,548,319
Furniture, equipment, and software	1,023,719	910,561
	<u>11,077,505</u>	<u>10,918,255</u>
Less accumulated depreciation	3,351,719	3,003,121
	<u><u>\$7,725,786</u></u>	<u><u>\$ 7,915,134</u></u>

(5) NOTE PAYABLE

The Institute has a \$500,000 non-interest-bearing note payable to Township of Lower Merion, which is due on October 17, 2021. The loan was obtained under the Commonwealth of Pennsylvania Anchor Building Grant Program, which was designed to provide interest-free loans for the rehabilitation of commercial properties considered significant for revitalization within commercial areas. Annual maturities of the note payable as of December 31, 2019 are as follows:

2020	\$ -
2021	<u>500,000</u>
	<u><u>\$500,000</u></u>

The Institute had a 4.75% note payable to a bank that was paid off in full in December 2018. Interest expense was \$39,206 for the year ended December 31, 2018 in connection with this note payable.

(6) RETIREMENT PLAN

The Institute offers a SIMPLE IRA retirement plan for substantially all employees. The Institute presently matches employee contributions to a maximum of 3% of each participant's compensation. Retirement plan expense was \$14,298 and \$14,076 for the years ended December 31, 2019 and 2018, respectively.

(7) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2019 and 2018 consisted of:

	2019	2018
Maintenance of projection booth	\$ 28,502	\$ 50,000
Fixed asset purchases	12,742	19,770
Subsequent year operations	<u>145,748</u>	<u>150,349</u>
	<u><u>\$186,992</u></u>	<u><u>\$220,119</u></u>

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(8) BOARD-DESIGNATED ENDOWMENT FUND

The Board of Directors has established an endowment fund and has adopted investment and spending policies for endowment assets that attempt to both preserve capital and achieve long-term growth, while providing a predictable stream of funding to support the Institute's operations and programs. The Institute targets a diversified asset allocation of fixed income and equity investments.

Changes in the board-designated endowment fund for the years ended December 31, 2019 and 2018 were as follows:

Balance, January 1, 2018		\$ 956,123
Interfund transfer		409,715
Investment return:		
Investment income	\$ 23,269	
Net unrealized loss	<u>(103,595)</u>	<u>(80,326)</u>
Balance, December 31, 2018		1,285,512
Interfund transfer		7,766
Investment return:		
Investment income	30,314	
Net unrealized gain	<u>250,477</u>	<u>280,791</u>
Balance, December 31, 2019		<u><u>\$1,574,069</u></u>

(9) LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, include cash and cash equivalents and contributions and grants receivable in the amount of \$1,993,921 at December 31, 2019. As part of their liquidity management plan, the Institute has a goal to maintain financial assets, which consist of cash and cash equivalents and contributions and grants receivable, on hand to meet normal operating expenses.

(10) SUBSEQUENT EVENT

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") emerged in China and continues to spread globally, including in the United States. COVID-19 is currently impacting countries, communities, supply chains and markets around the world.

Effective March 16, 2020, Pennsylvania Governor Tom Wolf ordered nonessential businesses to shut down to help curb the spread of COVID-19. Following the Governor's orders, the Institute has been closed as of Friday, March 13th. As of the date of this report, management cannot predict whether the COVID-19 outbreak will have a material impact on the Institute's financial condition and results of operations in the foreseeable future.