



IMPULSION AU DEVELOPPEMENT

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

Consolidated Financial Statements

For The Year Ended December 31, 2019

(With Summarized Financial Information for the Year Ended December 31, 2018)



and
Report Thereon



TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

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For the Year Ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Tunisian-American Enterprise Fund

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Tunisian-American Enterprise Fund and Affiliates (collectively referred to as TAEF), which comprise the consolidated statement of financial position as of December 31, 2019, and the consolidated statements of activities and cash flows for the year 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 from 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.

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Opinion

In our opinion, the 2019 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Tunisian-American Enterprise Fund and Affiliates as of December 31, 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.

Other Matter

Report on Summarized Comparative Information

We have previously audited TAEF's 2018 financial statements, and in our report dated September 26, 2019, we expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marcum LLP

Washington, DC
November 10, 2020

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2019
(With Summarized Financial Information as of December 31, 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 4,224,245	\$ 2,225,466
Accounts receivable, net	1,317,048	956,899
Loans receivable, net	17,906,625	10,362,120
Prepaid expenses	78,689	15,956
Certificates of deposit	31,058,360	2,665,132
Investments	17,433,231	7,003,815
Property and equipment, net of accumulated depreciation of \$105,009	27,623	29,140
Deposits	6,146	165,841
TOTAL ASSETS	\$ 72,051,967	\$ 23,424,369
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 417,136	\$ 156,724
Loan payable	2,931,647	-
Deferred revenue	786,439	964,854
TOTAL LIABILITIES	4,135,222	1,121,578
Net Assets		
Without donor restrictions		
Undesignated	67,926,207	22,302,791
Noncontrolling interest in TASF	(9,462)	-
TOTAL NET ASSETS	67,916,745	22,302,791
TOTAL LIABILITIES AND NET ASSETS	\$ 72,051,967	\$ 23,424,369

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

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

(With Summarized Financial Information for the Year Ended December 31, 2018)

	2019	2018
REVENUE WITHOUT DONOR RESTRICTIONS		
Grant revenue	\$ 46,154,498	\$ 8,903,563
Interest income	1,222,447	596,546
Other income	758,148	449,417
Investment loss, net	-	(1,393)
TOTAL REVENUE	48,135,093	9,948,133
EXPENSES		
Program Service:		
Investments	3,219,912	2,563,702
Total Program Service	3,219,912	2,563,702
Supporting Service:		
Management and General	534,884	462,915
Total Program Service	534,884	462,915
TOTAL EXPENSES	3,754,796	3,026,617
Change in net assets before translation adjustments	44,380,297	6,921,516
Foreign currency translation gain (loss)	1,243,119	(2,637,109)
Change in Net Assets before Noncontrolling Interest	45,623,416	4,284,407
Net loss attributable to noncontrolling interest	(9,462)	-
CHANGE IN NET ASSETS	45,613,954	4,284,407
NET ASSETS, BEGINNING OF YEAR	22,302,791	18,018,384
NET ASSETS, END OF YEAR	\$ 67,916,745	\$ 22,302,791

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

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

(With Summarized Financial Information for the Year Ended December 31, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 45,613,954	\$ 4,284,407
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in allowance for doubtful accounts	18,136	54,144
Change in allowance for loans receivable	1,689,902	1,099,230
Loss (gains) on revaluation of foreign assets	(1,243,119)	2,637,109
Depreciation and amortization	21,470	22,087
Realized loss from sale or write off investments	-	1,393
Changes in assets and liabilities:		
Accounts receivable	(378,285)	(799,307)
Prepaid expenses	(62,733)	6,913
Deposits	159,695	(119,030)
Accounts payable and accrued expenses	260,412	39,116
Deferred revenue	(178,415)	389,686
NET CASH PROVIDED BY OPERATING ACTIVITIES	45,901,017	7,615,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	(28,393,228)	(2,712,968)
Purchase of investments	(10,438,998)	(1,881,147)
Proceeds from sale of investments	-	350,000
Issuance of loans receivable	(8,839,199)	(5,094,888)
Collections from loans receivable	857,493	2,293,013
Purchases of property and equipment	(19,953)	(13,656)
NET CASH USED IN INVESTING ACTIVITIES	(46,833,885)	(7,059,646)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on notes payable	2,931,647	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,931,647	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,998,779	556,102
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,225,466	1,669,364
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,224,245	\$ 2,225,466

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

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

1. Organization and Summary of Significant Accounting Policies

Organization

The Tunisian-American Enterprise Fund (the Fund) was established by the United States Congress to support the Tunisian people following the Tunisian revolution. The Fund's operations launched in July 2013 after receipt of a funding agreement with the United States Agency for International Development (USAID). The Fund's mission is to invest in Tunisia through existing and newly incorporated financial vehicles that provide equity, quasi-equity and debt financing to a range of small and medium enterprises. The Fund is scheduled to begin wind-down procedures in 2028 and terminate within three to four years thereafter.

The Tunisian American Enterprise Fund Advisory Company (TAEF Advisory) was established in Tunisia. The TAEF Advisory operates to carry out the mission of the Fund in Tunisia.

In February 2015, TAEF incorporated the Tunisian American SME Company (TASME), a wholly-owned affiliate domiciled in Mauritius. TASME is set up as a holding company and was created to carry out the Fund's mission of investing in Tunisia's private and small and medium enterprise sectors through debt, equity and quasi-equity investments.

In February 2015, TASME incorporated SME Consulting Company (SME), a wholly-owned affiliate domiciled in Tunisia, to manage its operations in Tunisia.

Tunisian American Search Fund (TASF) is a pilot project financed by the Fund in March 2019. TASF is a limited company located in Tunisia. The main purpose of TASF is the holding and management of interests in other companies. The Fund owns 90% of TASF. The remaining interest is owned by an individual (see Note 6).

Principles of Consolidation

The accompanying consolidated financial statements reflect the activity of the Fund, TAEF Advisory, TASME, SME and TASF (collectively known as TAEF). The financial statements of TAEF have been consolidated as these entities are under common control and there is an economic interest. All material intercompany balances and transactions have been eliminated during consolidation.

Basis of Accounting

The consolidated financial statements are prepared on the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and money market accounts and all highly liquid investments with initial maturities of one year or less.

Certificates of Deposit

Certificates of deposit are recorded in the accompanying consolidated financial statements at principal plus accrued interest. Interest income is recorded as earned.

Continued

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

1. Organization and Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable consist primarily of interest and dividend receivable and royalties receivable. TAEF uses the allowance method to record potentially uncollectible accounts. TAEF has established the allowance at a level deemed appropriate to provide for doubtful accounts. The net remaining balances are deemed by TAEF to be fully collectible. During the year ended December 31, 2019, TAEF created an allowance for doubtful accounts of approximately \$127,100.

Loans Receivable

TAEF uses the allowance method to reserve for potentially uncollectible loans receivable. Accounts past due are individually analyzed for collectability. Management annually adjusts the allowance account based upon its estimate of those loans receivable that it believes to be uncollectible.

Investments

Investments consist of TAEF's interest in private equity funds, in certain partnerships and one private foreign company which are considered to be alternative investments; as such, these alternative investments are not traded in an established market. Liquidation of TAEF's interests may be subject to various restrictions imposed by the investment fund managers. As part of their risk management and control procedures, the investment fund may hold derivatives and certain other financial instruments to hedge or manage risks associated with foreign currency fluctuations, interest rate changes, commodity price fluctuations and equity market movements. TAEF's interest in these alternative investments is recorded in the accompanying consolidated financial statements under the cost method, minus any impairment, and adjusted for changes resulting from any observable price changes in orderly transactions for the identical or similar investment.

Property and Equipment and Related Depreciation and Amortization

Property and equipment are recorded at cost. TAEF capitalizes all expenditures for property and equipment with a useful life of more than one year and an acquisition cost greater than \$1,000. Depreciation on computers and furniture and equipment is provided for on a straight-line basis over the estimated useful lives of the assets, which range from five to seven years. Website and software are amortized using the straight-line method over three to five years. Leasehold improvements are amortized over the shorter of the lease term or the useful life. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization, and any gain or loss is reflected in revenue and support or expenses in the accompanying consolidated statement of activities. Major additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Classification of Net Assets

Net assets without donor restrictions represent the portion of expendable funds that are available to support the operations of TAEF.

Continued

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition

TAEF has a funding agreement with USAID. Revenue from this agreement is conditional upon the incurrence of allowable qualifying expenses and/or investments. Grant revenue is recognized as costs are incurred on the basis of direct program and administrative costs plus investments in the other entities. Amounts related to this funding agreement that are recognized and released in the same year are included as grant revenue without donor restrictions in the accompanying consolidated statement of activities. Amounts received from the awarding agency in advance of costs incurred are included in deferred revenue in the accompanying consolidated statement of financial position.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of activities. Expenses directly attributed to a specific functional area of TAEF are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimated time worked between program and supporting services.

Foreign Currency Translation

The conversion of financial statement balances into U.S. dollars (USD) follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 830, *Foreign Currency Matters*, which permits an entity to present its consolidated financial statements in any currency. If the currency in the financial statements differs from the entity's functional currency, TAEF translates all assets and liabilities at the current rate at the date of the statement of financial position. Revenue and expense balances are translated at exchange rates at the transaction date.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

In January 2016, FASB issued Accounting Standards Updated (ASU) 2016-01, *Recognition and Measurement of Financial Assets and Liabilities*. The standard requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The standard also simplify the impairment assessment

Continued

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2019

1. Organization and Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

of equity investments without readily determinable fair values by requiring assessment for impairment qualitatively at each reporting period. The amendments also require enhanced disclosures about those investments. TAEF adopted the standard applicable to equity securities without readily determinable fair values prospectively to its investments on January 1, 2019. There is no effect on net assets in connection with the implementation of this standard.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958)*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, subject to other guidance, and determining whether a contribution is conditional. TAEF adopted ASU 2018-08 on January 1, 2019, using the modified prospective basis and the adoption of the standard did not impact TAEF's results of operations or change in net assets.

2. Certificates of Deposit

As of December 31, 2019, the certificates of deposit held by TAEF totaled \$31,058,360. Interest income was \$484,248 for the year ended December 31, 2019.

3. Investments

TAEF's investments at December 31, 2019, are summarized as follows:

Alternative investment funds:	
Private equities	\$ 3,373,619
Partnerships	5,302,134
Private foreign company	<u>8,757,478</u>
Total Investments	<u>\$ 17,433,231</u>

The private equity funds have initial lock-up period of five to six years. TAEF has unfunded commitments of \$5,110,395 related to these investments as of December 31, 2019. Because of the inherent uncertainty of the valuation for TAEF's investment in these funds and in certain of the underlying investments held by the funds, values for these investments may differ significantly from values that would have been used had a ready market for the investments existed.

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2019

4. Loans Receivable

Under TAEF's funding agreement with USAID, TAEF may provide loans to qualifying organizations for the purpose of providing debt financing to small and medium enterprises. Loans are secured by the borrower's collateral. Under the terms of the loan agreements, TAEF is authorized to receive interest payments ranging from 2% to 8.5%, to be calculated at the beginning of every three-month period. Principal payments are to be repaid quarterly beginning 12-24 months after the initial disbursement, and interest payments are due every three months after the initial disbursement.

Loans receivable are expected to be collected as follows as of December 31, 2019:

Due in less than 1 year	\$ 6,798,395
Due in 1-5 years	<u>14,034,157</u>
Total Loans Receivable	20,832,552
Less: Allowance for Doubtful Accounts	<u>(2,925,927)</u>
Loans Receivable, Net	<u>\$ 17,906,625</u>

5. Loan Payable

In April 2019, TASF entered into a loan agreement with a financial institution. The loan is for \$2,931,647 (or 9,000,000 in Tunisian Dinar), with the first six payments due annually beginning on September 30, 2020. The last principal payment is due on March 31, 2026. The loan bears interest of 10.2402% per annum. As of December 31, 2019, \$2,931,647 remained outstanding on this loan.

The scheduled future principal payments under the notes payable were as follows at December 31, 2019:

For the Year Ending December 31, _____	
2020	\$ 418,806
2021	418,806
2022	418,806
2023	418,806
2024	418,806
Thereafter	<u>837,617</u>
Total Loan Payable	<u>\$ 2,931,647</u>

6. Noncontrolling Interest in TASF

Under an agreement between the Fund and an individual investor, the ownership interests of TASF are 90% and 10%, respectively. Under this agreement, the profit and loss of TASF are to be allocated in accordance with the respective ownership interests of its shareholders.

Continued

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

7. Concentrations

Major Grantors

For the year ended December 31, 2019, TAEF earned grant revenue of \$46,154,498, all of which was received directly from USAID, which has a funding agreement with TAEF through the authority of an act of Congress. This amount represents 96% of total revenue. While management believes the likelihood of the event remote, should Congress decide not to fund TAEF's future projects, TAEF would experience an adverse impact on its ability to finance ongoing operations.

On May 25, 2018, TAEF was notified by USAID of an amendment to current grant in which the total amount of funding under the grant agreement of \$20 million was increased to \$100 million and as such, USAID financial commitment is obligated to \$100 million. As of December 31, 2019, TAEF has yet to recognized revenue of approximately \$22,680,000.

Foreign Operations

During the year ended December 31, 2019, TAEF performed services and transacted business in Tunisia. At December 31, 2019, TAEF maintained an office, loans receivable and other assets in Tunisia and Mauritius. The future of this program can be adversely affected by a number of potential factors such as devaluations, terrorist activity and changes in the political climate. As of December 31, 2019, assets held in foreign countries were approximately \$49,232,000, which represented approximately 69% of TAEF's total consolidated assets.

Concentration of Credit Risk

TAEF maintains its cash and cash equivalents with certain commercial financial institutions in the U.S., which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2019, TAEF had approximately \$2,654,000 composed of demand deposits, savings and money market accounts, which exceeded the maximum limit insured by the FDIC by approximately \$2,142,500. TAEF monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash and cash equivalents. In addition, TAEF holds cash in bank accounts in foreign countries. As of December 31, 2019, cash held in foreign countries totaled approximately \$1,571,000.

8. Related Party Transaction

During the year December 31, 2019, TAEF paid salary and bonus expenses totaled \$140,960 to an employee who is the spouse of a member of the Board of Directors. As of December 31, 2019, there were no amounts due to this individual.

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

9. Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to program or supporting functions of TAEF. Total expenditures, by natural and functional classification, were as follows for the year ended December 31, 2019:

	Investments Program	Management and General	Total
Bad debt	\$ 1,865,596	\$ -	\$ 1,865,596
Professional fees	426,373	136,968	563,341
Salaries	295,638	129,878	425,516
Contractors	185,182	166,413	351,595
Other expenses	159,754	59,455	219,209
Taxes	96,279	-	96,279
Occupancy and utilities	55,860	24,556	80,416
Payroll taxes and fringe benefits	62,978	10,198	73,176
Travel and meetings	51,220	6,978	58,198
Depreciation and amortization	21,032	438	21,470
Total Expenses	\$ 3,219,912	\$ 534,884	\$ 3,754,796

10. Availability and Liquidity

TAEF regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. TAEF's financial assets available within one year of the consolidated statement of financial position date for general expenditures at December 31, 2019, were as follows:

Cash and cash equivalents	\$ 4,224,245
Accounts receivable, net	1,317,048
Loans receivable, net	17,906,625
Certificates of deposits	31,058,360
Total Financial Assets at Year-End	54,506,278
Less:	
Amounts not available to be used within one year:	
Long-term loans receivable	(14,034,157)
Financial Assets Available to Meet General Expenditures Within One Year	\$40,472,121

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2019

10. Availability and Liquidity (continued)

TAEF has various sources of liquidity at its disposal, including cash and cash equivalents, accounts and loans receivable and certificate of deposits, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of TAEF throughout the year. This is done through monitoring and reviewing TAEF's cash flow needs on a regular basis. As a result, management is aware of the cyclical nature of TAEF's cash flow and is therefore able to ensure that there is cash available to meet current liquidity needs. TAEF's certificates of deposit are of a short-term duration, maturing within one year at staggered maturity dates, and therefore can be liquidated to meet operating cash requirements.

11. Income Taxes

The Fund qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the IRC) and is classified as a publicly supported organization under Section 509(a)(1) of the IRC. No provision for income taxes is required for the year ended December 31, 2019, as the Fund had no net unrelated business income.

TAEF Advisory, TASME, SME and TASF are subject to the tax laws in the countries in which they were incorporated. The Fund pays all taxes due in these countries both timely and accurately and the related tax expense is reflected on the accompanying consolidated financial statements. However, any additional tax assessment due or liabilities have not been recorded as such amounts are not considered to be significant to these consolidated financial statements.

TAEF has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. TAEF evaluated its uncertainty in income taxes for the year ended December 31, 2019, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2019, there are no audits for any tax periods in progress. It is TAEF's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. There are currently no examinations pending or in progress, regarding TAEF's tax returns.

12. Reclassification

Certain 2018 amounts have been reclassified to conform with the 2019 consolidated financial statement presentation.

TUNISIAN-AMERICAN ENTERPRISE FUND AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2019

13. Prior Year Summarized Financial Information

The accompanying consolidated 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 GAAP. Accordingly, such information should be read in conjunction with TAEF's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

14. Subsequent Events

The COVID-19 outbreak in the United States and international communities has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. TAEF has been able to continue most of its operations; however, at this point, the extent to which COVID-19 may impact TAEF's financial condition or results of operations cannot be predicted.

TAEF's management has evaluated, for potential recognition or disclosure, events and transactions through November 10, 2020, the date the financial statements were available to be issued. Except as disclosed above, there were no subsequent events identified that require recognition or disclosure in these financial statements.