

PETS LIFELINE, INC.

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

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Independent Auditor's Report

Board of Directors
Pets Lifeline, Inc.
Sonoma, California

We have audited the accompanying financial statements of Pets Lifeline, Inc. (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the six-month period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 an evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report – continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pets Lifeline, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the six-month period then ended in conformity with accounting principles generally accepted in the United States of America.

Jones + Penz, Inc.

Napa, California
October 20, 2021

PETS LIFELINE, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

ASSETS

Cash and cash equivalents	\$ 180,203
Restricted cash and cash equivalents	2,207,401
Contributions receivable, net	639,777
Bequest receivable	275,000
Property and equipment, net	755,776
Prepaid expenses	7,061
Investments	<u>1,504,020</u>
Total Assets	<u>\$ 5,569,238</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 6,793
Credit cards payable	4,711
Accrued labor costs	21,005
Accrued vacation	<u>16,450</u>
Total Liabilities	<u>48,959</u>

Net Assets

Without donor restrictions	2,361,421
With donor restrictions	<u>3,158,858</u>
Total Net Assets	<u>5,520,279</u>
 Total Liabilities and Net Assets	 <u>\$ 5,569,238</u>

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

PETS LIFELINE, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue And Support			
Contributions	\$ 176,367	\$ 1,415,012	\$ 1,591,379
Bequests	104,848	-	104,848
Program fees	33,589	-	33,589
Grants	-	25,000	25,000
Special events, net	(24,294)	-	(24,294)
Investment income, net	60,701	18,493	79,194
Net assets released from restrictions	1,736,069	(1,736,069)	-
Total Revenue and Support	<u>2,087,280</u>	<u>(277,564)</u>	<u>1,809,716</u>
Expenses			
Program expenses	434,315	-	434,315
Management and general	121,164	-	121,164
Fundraising	167,014	-	167,014
Total Expenses	<u>722,493</u>	<u>-</u>	<u>722,493</u>
Change In Net Assets	1,364,787	(277,564)	1,087,223
Net assets, beginning of period	<u>996,634</u>	<u>3,436,422</u>	<u>4,433,056</u>
Net Assets, End Of Period	<u>\$ 2,361,421</u>	<u>\$ 3,158,858</u>	<u>\$ 5,520,279</u>

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

PETS LIFELINE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 189,311	\$ 50,860	\$ 42,383	\$ 282,554
Employee benefits	30,171	8,106	6,755	45,032
Payroll taxes	14,853	3,990	3,325	22,168
Professional services	3,563	10,524	15,750	29,837
Advertising and promotion	10,844	-	35,811	46,655
Office expenses	7,795	2,094	1,745	11,634
Occupancy	86,973	23,818	19,472	130,263
Printing and publications	176	48	30,715	30,939
Bank and merchant fees	-	8,724	-	8,724
Travel	3,476	-	3,476	6,952
Depreciation	16,524	4,439	3,699	24,662
Insurance	5,048	5,278	1,147	11,473
Shelter direct expenses	53,363	-	-	53,363
Miscellaneous	12,218	3,283	2,736	18,237
	<u>\$ 434,315</u>	<u>\$ 121,164</u>	<u>\$ 167,014</u>	<u>\$ 722,493</u>

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

PETS LIFELINE, INC.

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

Cash Flows From Operating Activities

Change in Net Assets	\$ 1,087,223
Adjustments To Reconcile Change in Net Assets To	
Net Cash Provided By Operating Activities:	
Net realized and unrealized (gain) on investments	(26,320)
Depreciation	24,662
Contributions restricted for capital projects	(1,415,012)
Donated stock	(1,133)
(Increase) decrease in:	
Contributions receivable	(362,003)
Prepaid expenses	39,400
Bequest receivable	1,054,098
Increase (decrease) in:	
Accounts payable	(342,459)
Credit cards payable	843
Sales tax payable	(1,183)
Accrued labor costs	(183)
Accrued vacation	(6,849)
Deferred revenue	(48,548)
Net Cash Provided By Operating Activities	<u>2,536</u>

Cash Flows From Investing Activities

Proceeds from sale of investments	3,173,893
Purchase of investments	(2,659,233)
Purchase of fixed assets	(462,701)
Net Cash Provided By Investing Activities	<u>51,959</u>

Cash Flows From Financing Activities

Contributions for capital projects	<u>1,415,012</u>
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Net Increase In Cash And Cash Equivalents 1,469,507

Cash And Cash Equivalents, Beginning Of Period 918,097

Cash And Cash Equivalents, End Of Period \$ 2,387,604

Supplemental Disclosures Of Cash Flow Information

Cash paid during the year for interest	\$ -
Cash paid during the year for income taxes	\$ -

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

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

1. Summary of Significant Accounting Policies

Purpose

Pets Lifeline, Inc. (the Organization) shelters, feeds and rehabilitates nearly 1,000 animals every year, providing food, shelter, medical attention and loving care to homeless dogs and cats. Support and revenue are generally from Northern California and primarily consist of contributions, investment income, and special event income.

The Organization provides the following services:

Shelter and Protection

The Organization takes in and cares for stray and abandoned dogs and cats by providing them with food, shelter, medical attention, and loving attention. Shelter dogs are walked daily and receive obedience training. The resident cats and kittens are highly socialized by volunteers and visitors.

Adoption Services

The Organization places unclaimed dogs and cats into loving, permanent homes. All shelter animals are spayed/neutered before adoption. In addition, they are seen by a veterinarian before adoption and receive all necessary vaccinations. Shelter animals are wormed, bathed and de-fleaed. A free follow-up visit with a participating local veterinarian is part of the adoption package.

Lost and Found

The Organization coordinates a very active pet lost and found program to help reunite pets with their owners. Staff and volunteers take both lost and found animal reports on a daily basis and maintain files. When people call to report a lost pet, files are quickly checked, and pets can often be reunited with owners the same day. Similarly, when lost animals are brought into the shelter, the Organization's lost animal reports expedite the process of reuniting pets with their owners.

Low Cost Microchipping

The Organization provides free personalized ID tags for dogs and cats and offers low cost microchipping identification services to pet owners.

Low Cost Companions for Seniors

The Organization coordinates a free program to match seniors with mature animals so that older persons can enjoy the companionship of a pet. The Senior Match Up program enables older adults (65 and older) to adopt an older pet (one year and older) at no charge.

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

1. Summary of Significant Accounting Policies (continued)

Feral Spay/Neuter Program

The Organization coordinates a program to trap, spay/neuter and maintain feral (wild) cats. Volunteer trappers trap feral cats and take them to a veterinarian for examination and spay/neutering. The cats are then released and maintained by a colony caretaker. The Organization also rents traps to people who wish to trap and fix feral cats on their property.

Matchmaker Adoption Services

The Organization helps area residents to find and adopt non-shelter animals. Files are maintained for people searching for a certain type of animal and owners who need to release a pet for whatever reason. Often, the Organization is able to link the two and facilitate an adoption of a non-shelter animal. The Organization also refers people to the other shelters and pet rescue services within Sonoma County to maximize pet adoptions.

Community Education

The Organization conducts ongoing community education services to raise the level of public awareness about responsible pet ownership. They conduct workshops in the schools and for community service organizations and offer tours of the shelter for interested groups.

Low Cost Summer Camps

Each summer, the Organization provides a fun-filled Humane Education program for children.

Information Services

The Organization provides information and assistance to all pet owners and offers ongoing consulting and assistance to those who have adopted a shelter animal and to the community at large.

Free Pet Food to Low Income Families

The Organization provides free pet food to low income families once a month at a local church.

Basis of Presentation

The Organization prepares its financial statements using the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

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

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

1. Summary of Significant Accounting Policies (continued)

Net Assets without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that the donor restrictions were met in the year the contribution was received.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash, cash equivalents, restricted cash, and restricted cash equivalents includes all cash balances and highly liquid investments with original maturities of three months or less at acquisition. Periodically, such investments may be in excess of federally insured limits.

Contributions receivable

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the donation. Contributions to be received after one year are recorded at the present value of their estimated future cash flows.

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

1. Summary of Significant Accounting Policies (continued)

No allowance for uncollectible contributions receivable has been recorded as of December 31, 2019 because management has determined that no allowance is required.

Bequest receivable

The Organization is occasionally notified by donors or the trustees of their estates that they have been named as a beneficiary in their wills. The Organization will not immediately recognize these gifts as receivables and contributions unless they are irrevocable, unconditional, and measurable. If a gift does not meet these criteria it is not recognized as contribution revenue until the will is declared valid and subject to final distribution. At that time, the Organization recognizes the contribution at fair value, net of a discount for likely fees and taxes, based on historical experience.

No allowance for uncollectible bequest receivable has been recorded as of December 31, 2019 because management has determined that no allowance is required.

Property and Equipment

Property and equipment are stated at cost, or if donated, at the estimated fair value on the date of the donation. Depreciation is computed using the straight-line method over useful lives ranging from 3 to 39 years. The Organization capitalizes property and equipment with an initial cost of \$2,500 or more and an estimated useful life in excess of one year.

In the absence of donor stipulations, all contributions of property and equipment above the capitalization threshold are recorded as unrestricted support and depreciated over the assets' estimated useful lives. Contributions of personal property are recorded at fair value that is both measurable and objective.

Long lived assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Unless otherwise stated by the donor, the restriction expires over the useful life of the asset. Expenditures for repairs and maintenance are expensed when incurred.

Investments

Investments are recorded at fair market value. Both unrealized gains and losses from the fluctuation of market value and realized gains and losses from the sale of investments are reflected in the statement of activities.

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

1. Summary of Significant Accounting Policies (continued)

Financial Instruments

The carrying value of cash and cash equivalents, restricted cash and cash equivalents, contribution and bequest receivable, accounts payable and accrued liabilities are stated at carrying cost at December 31, 2019, which approximates fair value due to the relatively short maturity of these instruments. Other financial instruments held at year-end are investments, which are stated at fair value.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. The Organization is also exempt from state income taxes under provisions of the California Revenue and Taxation code section 23701(d). Accordingly, these financial statements contain no provision for Federal or California income taxes. The Organization believes that it has appropriate support for all tax positions taken, and does not have any uncertain tax positions that are material to the financial statements. The Organization's tax returns are subject to review through three years after the date of filing for federal and four years after the date of filing for State.

Revenue Recognition

The Organization reports contributions as restricted support if they are received with donor or grantor restrictions that limit the use of the contributions. When a restriction expires (i.e. when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions are considered to be available for unrestricted use and recorded as such, unless specifically restricted by the donor.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized in the statement of activities. Expenses that are not directly allocable to programs are allocated based on specific identification where possible to program, management and general, and fund-raising expenses. For some expenses, allocations are based on estimates by management.

Advertising and Promotion

The Organization expenses advertising and promotion costs as incurred. Advertising and promotion expense was \$46,655 for the six months ended December 31, 2019.

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

1. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

Generally accepted accounting principles (GAAP) provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

- Level 1 inputs – quoted prices in active markets for identical assets
- Level 2 inputs – quoted prices in active or inactive markets for the same or similar assets
- Level 3 inputs – estimates using best information available when there is little or no market

The Organization is required to measure certain investments at fair value. The techniques used to measure fair value are described in Note 8.

Contributed Goods, Services, and Facilities

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets, or services that require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided through donation, are recorded at fair value in the period received. See Note 11 for additional information.

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk include cash and investments. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC).

Investments held by a broker in customer accounts are protected against physical loss and theft by the Securities Investor Protection Corporation (SIPC).

2. Restricted Cash and Cash Equivalents

The Organization maintains separate bank accounts that are restricted for the construction of a new animal shelter. These funds cannot be used for any other purpose. Restricted cash and cash equivalents are \$2,207,401 as of December 31, 2019.

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

3. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2019 consisted of the following:

Cash and cash equivalents	\$ 180,203
Restricted cash and cash equivalents	<u>2,207,401</u>
Cash and cash equivalents and restricted cash and cash equivalents shown in the statement of cash flows	<u>\$ 2,387,604</u>

4. Contributions receivable

Contributions receivable are expected to be collected in future years as follows as of December 31, 2019:

2020	\$ 484,604
2021	120,502
2022	23,600
2023	<u>22,000</u>
	650,706
Less unamortized discount at 5%	<u>(10,929)</u>
	<u>\$ 639,777</u>

5. Bequest receivable

The Organization was the beneficiary of one estate at December 31, 2019. The bequest receivable of \$275,000 was received after year-end.

6. Property and Equipment

Property and equipment consists of the following as of December 31, 2019:

	<u>2019</u>
Building and land improvements	\$ 531,600
Equipment and furnishings	162,013
Work in progress	640,130
Automobiles	45,318
Accumulated depreciation	<u>(623,285)</u>
	<u>\$ 755,776</u>

Depreciation expense for the six months ended December 31, 2019 was \$24,662.

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

7. Investments

Investments and a summary of investment income as of December 31, 2019 are as follows:

<u>Investments</u>	<u>2019</u>
Mutual funds	<u>\$ 1,504,020</u>
<u>Investment income</u>	<u>2019</u>
Interest and dividends	\$ 59,042
Realized gains	7,172
Unrealized gains	19,148
Investment management fees	(6,168)
	<u>\$ 79,194</u>

8. Fair Value Measurement

The following table presents the Organization's financial assets that are measured at fair value on a recurring basis as of December 31, 2019:

<u>Financial Assets</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$ 1,504,020</u>	<u>\$1,504,020</u>	<u>\$ -</u>	<u>\$ -</u>

9. Retirement Plan

The Organization has a SIMPLE IRA plan which covers all employees. Employees, receiving at least \$5,000 in compensation during any 2 prior years, are eligible to participate in the plan. Employees make contributions in the form of payroll deductions up to the maximum annual amount set by the Internal Revenue Service. The Organization made employer contributions to the plan of \$2,563 during the six months ended December 31, 2019.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2019:

	<u>2019</u>
Restricted as to time	\$ 914,777
Restricted for construction of new shelter	2,207,401
Contributions restricted as to purpose	<u>36,680</u>
	<u>\$ 3,158,858</u>

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

10. Net Assets with Donor Restrictions (continued)

Net assets with donor restrictions released from restrictions were as follows:

	<u>2019</u>
Collections of contributions and bequests receivable	\$ 1,138,647
Expenditures for construction of new shelter	595,922
Expenditures restricted as to purpose	<u>1,500</u>
	<u>\$ 1,736,069</u>

11. In-Kind Contributed Facilities

The Organization received contributions of the use of facilities in the form of donated venues for special events. A total of \$10,000 of in-kind donated facilities was contributed during the six months ended December 31, 2019. These amounts have been included in special event revenues and special event expenses for the six months ended December 31, 2019.

A number of volunteers have donated significant amounts of their time to the Organization's administrative and program services, and in its fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since these services are not professional in nature, and, as such, do not meet the criteria for recognition as contributed services.

12. Lease

The Organization entered into a copier lease with a monthly payment of \$566. The lease is for 63 months and expires June 2022. Total lease expense for the six months ended December 31, 2019 was \$5,558. Future minimum rental payments under the lease agreements are as follows:

Year ending:

December 31, 2020	\$ 6,792
December 31, 2021	6,792
December 31, 2022	<u>2,830</u>
	<u>\$ 16,414</u>

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

13. Liquidity and Availability of Financial Resources

The following table reflects the Organization's financial assets as of December 31, 2019 reduced by amounts not available for general expenditures within one year.

	2019
Cash and cash equivalents	\$ 180,203
Contributions receivable	639,777
Bequest receivable	275,000
Investments	<u>1,504,020</u>
Total financial assets	2,599,000
Less amounts not available for general expenditures:	
Restricted as to time	<u>(155,173)</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 2,443,827</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures.

The Organization manages its liquidity and reserves by operating within a prudent range of financial soundness and stability, and by maintaining adequate liquid assets to fund near-term operating needs. The Organization has an unsecured bank line of credit, which it could draw upon in the event of an anticipated liquidity need. The Organization can borrow up to \$966,408. Interest of 4.00% is charged on the outstanding balance. For the six months ended December 31, 2019, no money has been drawn on the line of credit.

14. Change of Year End

The Organization changed their fiscal year end from June 30 to December 31. Accordingly, the financial statement have been prepared for the six-month period ended December 31, 2019.

15. Subsequent Events

Subsequent events have been evaluated through October 20, 2021 which is the date the financial statements were available to be issued.

PETS LIFELINE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

15. Subsequent Events (continued)

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (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. In April 2020, the Organization was a beneficiary of the U.S. Small Business Administration’s Paycheck Protection Program, securing a loan of \$107,285. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, and utilities (at least 60% of the forgiven amount must have been used for payroll). The Organization expects the entire loan to be forgiven.

Although the Organization cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Organization’s results of future operations, financial position, and liquidity in 2020.