



EVERYTOWN FOR GUN SAFETY ACTION FUND

Financial Statements

December 31, 2020 and 2019

(With Independent Auditors' Report Thereon)

EVERYTOWN FOR GUN SAFETY ACTION FUND

Table of Contents

| | Page(s) |
|--|----------------|
| Independent Auditors' Report | 1 |
| Financial Statements: | |
| Statements of Financial Position as of December 31, 2020 and 2019 | 2 |
| Statements of Activities for the years ended December 31, 2020 and 2019 | 3 |
| Statements of Functional Expenses for the years ended December 31, 2020 and 2019 | 4-5 |
| Statements of Cash Flows for the years ended December 31, 2020 and 2019 | 6 |
| Notes to Financial Statements | 7-12 |



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Directors
Everytown for Gun Safety Action Fund:

We have audited the accompanying financial statements of Everytown for Gun Safety Action Fund, which comprise the statements of financial position as of December 31, 2020 and 2019, 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 U.S. generally accepted accounting principles; 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.

Auditors' 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 auditors' 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 that 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 Everytown for Gun Safety Action Fund as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

June 25, 2021

EVERYTOWN FOR GUN SAFETY ACTION FUND

Statements of Financial Position

December 31, 2020 and 2019

| Assets | 2020 | 2019 |
|---|----------------------|-------------------|
| Cash and cash equivalents (note 2) | \$ 6,089,424 | 37,469,915 |
| Contributions receivable, net (note 3) | 2,345,681 | 3,916,369 |
| Due from Everytown for Gun Safety Support Fund (note 6) | 591,416 | 430,248 |
| Prepaid expenses and other assets | 620,635 | 390,711 |
| Fixed assets, net (note 4) | <u>1,290,368</u> | <u>1,247,061</u> |
| Total assets | <u>\$ 10,937,524</u> | <u>43,454,304</u> |
| Liabilities | | |
| Liabilities – accounts payable and accrued expenses | \$ 1,700,566 | 1,679,103 |
| Net Assets | | |
| Net assets without donor restrictions | 6,871,033 | 37,832,832 |
| Net assets with donor restrictions (note 5) | <u>2,365,925</u> | <u>3,942,369</u> |
| Total net assets | <u>9,236,958</u> | <u>41,775,201</u> |
| Total liabilities and net assets | <u>\$ 10,937,524</u> | <u>43,454,304</u> |

See accompanying notes to financial statements.

EVERYTOWN FOR GUN SAFETY ACTION FUND

Statements of Activities

Years ended December 31, 2020 and 2019

| | 2020 | | | 2019 | | |
|--|----------------------------|-------------------------|-------------------|----------------------------|-------------------------|-------------------|
| | Without donor restrictions | With donor restrictions | Total | Without donor restrictions | With donor restrictions | Total |
| Revenue and other income: | | | | | | |
| Contributions and grants (notes 3 and 6) | \$ 21,448,253 | 50,000 | 21,498,253 | 80,219,121 | 1,251,901 | 81,471,022 |
| Other income | 204,198 | — | 204,198 | 4,108,862 | — | 4,108,862 |
| Forfeiture of restricted funds | — | (750,000) | (750,000) | — | — | — |
| Net assets released from restrictions | 876,444 | (876,444) | — | 3,680,435 | (3,680,435) | — |
| Total revenue and other income | <u>22,528,895</u> | <u>(1,576,444)</u> | <u>20,952,451</u> | <u>88,008,418</u> | <u>(2,428,534)</u> | <u>85,579,884</u> |
| Expenses: | | | | | | |
| Program expenses: | | | | | | |
| Public education, research, and advocacy | 43,163,411 | — | 43,163,411 | 48,025,062 | — | 48,025,062 |
| Supporting services: | | | | | | |
| Management and general (note 6) | 7,453,126 | — | 7,453,126 | 6,362,803 | — | 6,362,803 |
| Fundraising | 2,874,157 | — | 2,874,157 | 4,606,573 | — | 4,606,573 |
| Total expenses | <u>53,490,694</u> | <u>—</u> | <u>53,490,694</u> | <u>58,994,438</u> | <u>—</u> | <u>58,994,438</u> |
| Change in net assets | (30,961,799) | (1,576,444) | (32,538,243) | 29,013,980 | (2,428,534) | 26,585,446 |
| Net assets at beginning of year | 37,832,832 | 3,942,369 | 41,775,201 | 8,818,852 | 6,370,903 | 15,189,755 |
| Net assets at end of year | <u>\$ 6,871,033</u> | <u>2,365,925</u> | <u>9,236,958</u> | <u>37,832,832</u> | <u>3,942,369</u> | <u>41,775,201</u> |

See accompanying notes to financial statements.

EVERYTOWN FOR GUN SAFETY ACTION FUND

Statement of Functional Expenses

Year ended December 31, 2020

| | Public education, research, and advocacy | Management and general | Fundraising | 2020 Total |
|--|---|---------------------------------------|--------------------|-----------------------|
| Salaries and employee benefits: | | | | |
| Salaries | \$ 10,168,397 | 1,095,536 | 315,649 | 11,579,582 |
| Employee benefits and payroll taxes | <u>3,036,035</u> | <u>294,375</u> | <u>56,999</u> | <u>3,387,409</u> |
| | 13,204,432 | 1,389,911 | 372,648 | 14,966,991 |
| Other expenses: | | | | |
| Political and election contributions | 2,172,100 | — | — | 2,172,100 |
| Grants awarded | 694,246 | — | — | 694,246 |
| Professional fees: | | | | |
| Accounting and audit fees | — | 4,321,340 | — | 4,321,340 |
| Legislative consulting fees | 4,700,442 | — | — | 4,700,442 |
| Legal fees | 2,274,107 | 465,616 | 62,079 | 2,801,802 |
| Fundraising services | — | — | 260,464 | 260,464 |
| Other professional fees | 5,008,540 | 212,740 | 97,404 | 5,318,684 |
| Advertising | 6,068,966 | — | — | 6,068,966 |
| Travel and lodging | 489,584 | 1,243 | 6,111 | 496,938 |
| Conferences, conventions, and meetings | 446,958 | 1,335 | 47,288 | 495,581 |
| Email acquisitions | 1,440,169 | — | 143,492 | 1,583,661 |
| Polling and surveys | 994,554 | — | — | 994,554 |
| Postage and printing | 3,720,469 | 4,729 | 1,747,240 | 5,472,438 |
| Computer and other equipment | 415,420 | 151,941 | 1,260 | 568,621 |
| Office expenses | 230,088 | 332,447 | — | 562,535 |
| Occupancy | 1,011,404 | 65,174 | 18,778 | 1,095,356 |
| Depreciation and amortization | 285,564 | 30,766 | 8,865 | 325,195 |
| Insurance | 6,305 | 126,764 | — | 133,069 |
| Other expenses | 63 | 349,120 | 108,528 | 457,711 |
| | <u>\$ 43,163,411</u> | <u>7,453,126</u> | <u>2,874,157</u> | <u>53,490,694</u> |

See accompanying notes to financial statements.

EVERYTOWN FOR GUN SAFETY ACTION FUND

Statement of Functional Expenses

Year ended December 31, 2019

| | Public education, research, and advocacy | Management and general | Fundraising | 2019 Total |
|--|---|---------------------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Salaries and employee benefits: | | | | |
| Salaries | \$ 10,441,867 | 851,807 | 349,098 | 11,642,772 |
| Employee benefits and payroll taxes | <u>3,093,797</u> | <u>251,005</u> | <u>76,612</u> | <u>3,421,414</u> |
| | 13,535,664 | 1,102,812 | 425,710 | 15,064,186 |
| Other expenses: | | | | |
| Political and election contributions | 11,509,450 | — | — | 11,509,450 |
| Grants awarded | 374,381 | — | — | 374,381 |
| Professional fees: | | | | |
| Accounting and audit fees | — | 3,118,894 | — | 3,118,894 |
| Legislative consulting fees | 4,710,675 | — | — | 4,710,675 |
| Legal fees | 1,775,382 | 233,035 | 168,714 | 2,177,131 |
| Fundraising services | — | — | 630,423 | 630,423 |
| Other professional fees | 3,957,372 | 290,144 | 61,498 | 4,309,014 |
| Advertising | 3,492,403 | — | — | 3,492,403 |
| Travel and lodging | 2,469,565 | 3,445 | 96,088 | 2,569,098 |
| Conferences, conventions, and meetings | 1,914,520 | 5,190 | 12,309 | 1,932,019 |
| Email acquisitions | 1,152,080 | — | — | 1,152,080 |
| Polling and surveys | 869,059 | — | — | 869,059 |
| Postage and printing | 462,909 | 8,682 | 3,065,773 | 3,537,364 |
| Computer and other equipment | 356,665 | 301,477 | — | 658,142 |
| Office expenses | 248,638 | 480,372 | 1,091 | 730,101 |
| Occupancy | 1,176,849 | 63,519 | 23,632 | 1,264,000 |
| Depreciation and amortization | — | 111,214 | — | 111,214 |
| Insurance | 15,061 | 145,789 | — | 160,850 |
| Other expenses | <u>4,389</u> | <u>498,230</u> | <u>121,335</u> | <u>623,954</u> |
| | <u>\$ 48,025,062</u> | <u>6,362,803</u> | <u>4,606,573</u> | <u>58,994,438</u> |

See accompanying notes to financial statements.

EVERYTOWN FOR GUN SAFETY ACTION FUND

Statements of Cash Flows

Years ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|--------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (32,538,243) | 26,585,446 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization expense | 325,195 | 111,214 |
| Changes in operating assets and liabilities: | | |
| Contributions receivable | 1,570,688 | 2,182,339 |
| Due from Everytown for Gun Safety Support Fund | (161,168) | (7,185) |
| Prepaid expenses and other assets | (229,924) | (29,401) |
| Accounts payable and accrued expenses | <u>21,463</u> | <u>479,994</u> |
| Net cash (used in) provided by operating activities | <u>(31,011,989)</u> | <u>29,322,407</u> |
| Cash flows from investing activity: | | |
| Purchase of fixed assets | <u>(368,502)</u> | <u>(1,184,838)</u> |
| Net cash used in investing activity | <u>(368,502)</u> | <u>(1,184,838)</u> |
| Net (decrease) increase in cash and cash equivalents | (31,380,491) | 28,137,569 |
| Cash and cash equivalents, beginning of year | <u>37,469,915</u> | <u>9,332,346</u> |
| Cash and cash equivalents, end of year | <u>\$ 6,089,424</u> | <u>37,469,915</u> |

See accompanying notes to financial statements.

EVERYTOWN FOR GUN SAFETY ACTION FUND

Notes to Financial Statements

December 31, 2020 and 2019

(1) Organization and Significant Accounting Policies

(a) Organization

Everytown for Gun Safety Action Fund (the Fund) was incorporated in April 2007 to support the activities of mayors and others to combat illegal gun trafficking. The Fund supports efforts to educate policymakers, the press, and the public about the consequences of gun violence and to target activities that help ensure that guns stay out of the hands of criminals.

(b) Basis of Presentation

The Fund's financial statements are prepared on the accrual basis of accounting. The financial statements present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Fund and changes therein are classified and reported as discussed below.

Net assets without donor restrictions are not restricted by donors or the donor-imposed restrictions have expired.

Net assets with donor restrictions contain donor-imposed restrictions that permit the Fund to use or expend the assets for particular purposes or in specific time periods and donor-restricted endowments. As of December 31, 2020 and 2019, the Fund had no donor-restricted endowment funds.

Revenues are reported as changes in net assets without donor restrictions unless their use is limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

(d) Contributions and Grants

Contributions and grants, including unconditional promises to give, are recognized as revenue when they are received. A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and right of return for the transferred assets or a right of release of the promisor's obligating to transfer assets. Conditional contributions are recognized as revenue when the barrier(s) in the agreement are overcome. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as net assets without donor restrictions. All other donor-restricted support is reported as an increase to net assets with donor restrictions. When a donor restriction on net assets is met through the passage of time or fulfillment of a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

EVERYTOWN FOR GUN SAFETY ACTION FUND

Notes to Financial Statements

December 31, 2020 and 2019

Contributions receivable are reported at estimated fair value at the date of the gift. Fair value of contributions receivable is measured based on the present value of future cash flows, with consideration of expectations about possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants. The fair value measurements also include consideration of donors' credit risk.

(e) Income Tax Status

The Fund is a Section 501(c)(4) tax-exempt organization under Section 501(a) of the Internal Revenue Code (the Code). Accordingly, it is not subject to federal income tax. The Fund is also exempt from state and local income taxes. Contributions to the Fund are not deductible by donors under Section 170 of the Code. Income generated from activities unrelated to the Fund's exempt purpose is subject to tax under Internal Revenue Code Section 511. The Fund recognizes the effect of income tax positions only if those tax positions are more likely than not of being sustained.

(f) Fixed Assets

Fixed assets consist of website development costs, computer equipment, furniture, and leasehold improvements. Such fixed assets are recorded at cost, less accumulated depreciation and amortization. Website development costs, computer equipment, and furniture are depreciated and amortized on a straight-line basis over an estimated useful life of three to seven years. Leasehold improvements are depreciated on a straight-line basis over the life of the asset or lease term, whichever is shorter.

(g) Grant Awards

A grant is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the obligation to transfer assets. Effective January 1, 2020, with the adoption of Accounting Standards Update (ASU) No. 2018-08, awards made that are conditional in nature are not recorded as expense until the conditions of the grant are satisfied.

(h) Cash and Cash Equivalents

The Fund considers all liquid instruments purchased with original maturities of three months or less to be cash equivalents.

(i) Fair Value Measurements

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. Fair value measurements are applied based on the unit of account from the reporting entity's perspective.

EVERYTOWN FOR GUN SAFETY ACTION FUND

Notes to Financial Statements

December 31, 2020 and 2019

ASC Topic 820 establishes a three-level valuation hierarchy for the disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The highest priority is given to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to measurements involving significant unobservable inputs (Level 3 inputs). The three levels are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3 – Unobservable inputs are used when little or no market data is available.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Fund had no assets or liabilities that required disclosure in the fair value hierarchy at December 31, 2020 or 2019.

(j) Functional Allocation of Expenses

The Fund allocates expenses on a functional basis among its various program and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Expenses that benefit multiple functional areas are allocated based on proportional basis or time and effort.

(k) New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 helps an entity evaluate whether it should account for a grant (or similar transaction) as a contribution or as an exchange transaction. The ASU also clarifies and expands the criteria for determining whether a contribution is conditional, which may delay recognition of contribution revenue (recipient) or expense (resource provider). The Fund adopted the contributions received provisions of ASU No. 2018-08 as of January 1, 2019. The Fund adopted the resource provider provisions of ASU No. 2018-08 as of January 1, 2020. The adoption of this standard did not have a significant impact on the Fund's financial statements.

(2) Concentration of Credit Risk

Financial instruments that potentially subject the Fund to concentration of credit risk consist of cash and cash equivalents. The Fund places its cash and cash equivalents with high credit quality financial institutions; however, the cash and cash equivalent balances exceed federally insured limits at December 31, 2020 and 2019.

EVERYTOWN FOR GUN SAFETY ACTION FUND

Notes to Financial Statements

December 31, 2020 and 2019

(3) Contributions Receivable, Net

Contributions receivable, net consists of the following unconditional promises to give at December 31, 2020 and 2019:

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|------------------|
| Amounts expected to be collected: | | |
| Due within one year | \$ 1,300,000 | 1,775,000 |
| Due between one and five years | <u>1,250,000</u> | <u>2,500,000</u> |
| | 2,550,000 | 4,275,000 |
| Less discount to present value (rates ranging from 4.23% to 4.93%) | <u>(204,319)</u> | <u>(358,631)</u> |
| | <u>\$ 2,345,681</u> | <u>3,916,369</u> |

At December 31, 2020 and 2019, unconditional promises to give from one donor comprised approximately 78% and 69% of the total receivable balance, respectively.

(4) Fixed Assets

A summary of fixed assets at December 31, 2020 and 2019 is as follows:

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|------------------|
| Website development costs | \$ 1,000,177 | 1,183,598 |
| Computer equipment | 58,661 | 80,327 |
| Furniture and other | 306,924 | 306,924 |
| Leasehold improvements | <u>427,962</u> | <u>427,962</u> |
| | 1,793,724 | 1,998,811 |
| Accumulated depreciation and amortization | <u>(503,356)</u> | <u>(751,750)</u> |
| | <u>\$ 1,290,368</u> | <u>1,247,061</u> |

EVERYTOWN FOR GUN SAFETY ACTION FUND

Notes to Financial Statements

December 31, 2020 and 2019

(5) Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 are available for specific purposes and/or are time restricted as follows:

| | <u>2020</u> | <u>2019</u> |
|-----------------------|---------------------|------------------|
| Purpose restrictions: | | |
| Advocacy in Florida | \$ 20,244 | 26,000 |
| Time restrictions | <u>2,345,681</u> | <u>3,916,369</u> |
| Total | \$ <u>2,365,925</u> | <u>3,942,369</u> |

(6) Related-Party Transactions

During the normal course of business, the Fund engages in transactions with an entity with which a member of its Board of Directors is affiliated. The Fund's Board of Directors has a policy to require directors and officers to disclose affiliations and to review and authorize such transactions, as appropriate. For the years ended December 31, 2020 and 2019, such transactions are included in contribution revenues and management and general expenses and amounted to approximately \$4,279,340 and \$3,080,110, respectively.

The Fund is party to a cost sharing agreement with Everytown for Gun Safety Support Fund. The purpose of the cost sharing agreement is to minimize duplicative expenses and to carry out the organizations' missions in an economical and efficient manner, which includes sharing the employees whose skills and knowledge will assist both organizations, consistent with each organization's tax exempt purpose. At December 31, 2020 and 2019, such transactions due from the Everytown for Gun Safety Support Fund amount to \$591,416 and \$430,248, respectively.

(7) Lease

In 2014, the Fund entered into a lease agreement for office space in Washington, DC, expiring in 2021. On August 3, 2017, the Fund signed an amendment to the lease agreement to increase the space and extend the lease term through August 31, 2026. Future minimum rental payments are as follows:

| | |
|-------|---------------------|
| 2021 | \$ 495,342 |
| 2022 | 507,726 |
| 2023 | 520,419 |
| 2024 | 533,429 |
| 2025 | 546,765 |
| 2026 | <u>373,131</u> |
| Total | \$ <u>2,976,812</u> |

EVERYTOWN FOR GUN SAFETY ACTION FUND

Notes to Financial Statements

December 31, 2020 and 2019

Rental expense is recognized on a straight-line basis, in accordance with ASC Topic 840, *Accounting for Leases*. The excess of recognized expense over actual rent payments as well as landlord-provided improvements has been recorded as deferred rent credits, which is included in accounts payable and accrued expenses in the accompanying statements of financial position. Rental expense under this lease agreement was \$481,115 and \$481,115 in 2020 and 2019, respectively.

(8) Liquidity and Availability of Financial Assets

The following reflects the Fund's financial assets as of December 31, 2020 and 2019 reduced by amounts not available for general use within one year of the statement of financial position date. These financial assets available for general expenditure within one year of the statement of financial position date includes the following:

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|-------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 6,089,424 | 37,469,915 |
| Contributions receivable, due within one year | 1,300,000 | 1,775,000 |
| Due from Everytown for Gun Safety Support Fund | 591,416 | 430,248 |
| Other assets, due within one year | <u>149,811</u> | <u>34,851</u> |
| Total financial assets available within one year | <u>8,130,651</u> | <u>39,710,014</u> |
| Less those unavailable for general expenditure within one year, due to: | | |
| Restricted by donor | <u>(20,244)</u> | <u>(26,000)</u> |
| Total amounts unavailable within one year | <u>(20,244)</u> | <u>(26,000)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 8,110,407</u> | <u>39,684,014</u> |

(9) Subsequent Events

The Fund evaluated events and transactions subsequent to the statement of financial position date of December 31, 2020 and through June 25, 2021 which is the date that the Fund's financial statements were available to be issued, for purposes of disclosure and recognition in the financial statements and concluded, except for the below item, no further disclosures are required.

The spread of coronavirus (COVID-19) around the world has caused significant volatility in U.S. and international markets. There remains considerable uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.