

**Field to Market<sup>®</sup> :  
The Alliance for Sustainable  
Agriculture  
December 31, 2015**



**Field to Market<sup>®</sup>**

The Alliance for Sustainable Agriculture

## TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Field to Market®: The Alliance for Sustainable Agriculture  
Washington, D.C.

We have audited the accompanying financial statements of Field to Market®: The Alliance for Sustainable Agriculture, (a non-profit organization) which comprise the statement of financial position as of December 31, 2015, and the related statement of activities and cash flows for the year 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.

### ***Auditors' 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 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 auditors consider 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 Field to Market®: The Alliance for Sustainable Agriculture as of December 31, 2015, 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.

*Sygnus, Lender + Co., LLP*

August 17, 2016

FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 1,088,653
Contributions and grants receivable	182,000
Other receivables	813
Prepaid expenses	1,665
<b>TOTAL CURRENT ASSETS</b>	<b><u>\$ 1,273,131</u></b>

**OTHER ASSETS:**

Furniture and equipment, net	\$ 2,575
Deposit	2,150
<b>TOTAL OTHER ASSETS</b>	<b><u>\$ 4,725</u></b>

<b>TOTAL ASSETS</b>	<b><u>\$ 1,277,856</u></b>
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LIABILITIES AND NET ASSETS

**LIABILITIES:**

Accounts payable and accrued expenses	<u>\$ 160,594</u>
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**NET ASSETS:**

Unrestricted net assets	\$ 269,291
Temporarily restricted	847,971
<b>TOTAL NET ASSETS</b>	<b><u>\$ 1,117,262</u></b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,277,856</u></b>
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The accompanying notes are an integral part of these financial statements.

**FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT:</b>			
Membership Contributions	\$ 1,397,500	\$ 50,000	\$ 1,447,500
Grants and Sponsorships	51,497	317,200	368,697
Contributions for Midwest Row Crop Collaborative	-	625,000	625,000
Government Grants	-	7,500	7,500
Interest	354	-	354
Net Assets Released from Restrictions	521,729	(521,729)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>\$ 1,971,080</u>	<u>\$ 477,971</u>	<u>\$ 2,449,051</u>
<b>EXPENSES:</b>			
Program services:			
Membership and Communications	\$ 330,032	\$ -	\$ 330,032
Goals and Regional Mapping	67,139	-	67,139
Information, Communication, and Engagement (ICE)	203,838	-	203,838
Metrics	255,710	-	255,710
Midwest Row Crop Collaborative	79,324	-	79,324
Technology	329,284	-	329,284
Verification	144,005	-	144,005
Total Program Services	<u>\$ 1,409,332</u>	<u>\$ -</u>	<u>\$ 1,409,332</u>
Management and General	437,294	-	437,294
<b>TOTAL EXPENSES</b>	<u>\$ 1,846,626</u>	<u>\$ -</u>	<u>\$ 1,846,626</u>
<b>CHANGE IN NET ASSETS</b>	\$ 124,454	\$ 477,971	\$ 602,425
<b>NET ASSETS:</b>			
<b>BEGINNING OF YEAR</b>	<u>144,837</u>	<u>370,000</u>	<u>514,837</u>
<b>END OF YEAR</b>	<u>\$ 269,291</u>	<u>\$ 847,971</u>	<u>\$ 1,117,262</u>

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

**FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services							Total Program Services	Management and General	Total
	Memberships and Communications	Goals and Regional Mapping	Information, Communication, and Engagement	Metrics	Midwest Row Crop Collaborative	Technology	Verification			
Expenses:										
Personnel costs:										
Salaries	\$ 127,948	\$ 10,200	\$ 58,732	\$ 61,200	\$ 26,667	\$ 36,700	\$ 16,300	\$ 337,747	\$ 111,334	\$ 449,081
Employee benefits	11,583	923	5,317	5,541	2,414	3,323	1,476	30,577	10,079	40,656
Payroll taxes	9,795	781	4,496	4,685	2,042	2,810	1,248	25,857	8,522	34,379
Total personnel costs	\$ 149,326	\$ 11,904	\$ 68,545	\$ 71,426	\$ 31,123	\$ 42,833	\$ 19,024	\$ 394,181	\$ 129,935	\$ 524,116
Accounting	-	-	-	-	-	-	-	-	40,716	40,716
Bank charges and licenses	18	-	-	-	-	-	-	18	603	621
Communications and publications	19,995	-	-	-	-	-	-	19,995	-	19,995
Depreciation	683	57	285	342	569	171	57	2,164	683	2,847
Fieldprint	-	-	118,333	-	-	11,618	-	129,951	-	129,951
Insurance	348	29	145	174	290	87	29	1,102	347	1,449
Legal fees	-	-	-	-	-	-	-	-	97,069	97,069
Meetings and events	29,107	2,426	12,128	14,553	24,256	7,277	2,426	92,173	29,105	121,278
Metrics	-	-	-	160,000	-	-	-	160,000	-	160,000
Other admin	31	-	-	-	4,883	-	-	4,914	19,593	24,507
Professional fees	1,365	51,842	-	302	-	-	118,992	172,501	37,447	209,948
Rent	9,666	806	4,028	4,833	8,055	2,417	806	30,611	9,664	40,275
Strategic development consultants	69,500	-	-	-	-	-	-	69,500	-	69,500
Technology and Fieldprint Calculator	-	-	-	-	-	252,726	-	252,726	-	252,726
Telephone and technology	897	75	374	448	747	224	75	2,840	897	3,737
Travel	49,096	-	-	3,632	9,401	11,931	2,596	76,656	71,235	147,891
Total Expenses	\$ 330,032	\$ 67,139	\$ 203,838	\$ 255,710	\$ 79,324	\$ 329,284	\$ 144,005	\$ 1,409,332	\$ 437,294	\$ 1,846,626

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

**FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 602,425
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,847
Decrease in:	
Contributions and grants receivables	(182,000)
Other receivables	(465)
Prepaid expenses	(115)
Increase in:	
Accounts payable and accrued expenses	46,220
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 468,912</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Purchases of fixed assets	\$ (5,422)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>\$ (5,422)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	\$ 463,490
<b>CASH AND CASH EQUIVALENTS:</b>	
<b>BEGINNING OF YEAR</b>	<u>625,163</u>
<b>END OF YEAR</b>	<u>\$ 1,088,653</u>

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



# FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

### Note 1. **Summary of Significant Accounting Policies**

**Organization** - Field to Market®: The Alliance for Sustainable Agriculture (Field to Market®) is a non-profit organization, incorporated on September 18, 2012 under the laws of the State of Colorado. Field to Market® brings together a diverse group of members to focus on defining, measuring and advancing the sustainability of food, fiber and fuel production. Sustainable agriculture is meeting the needs of the present while improving the ability of future generations to meet their own needs by increasing productivity to meet future food and fiber demands, improving the environment, improving human health and improving the social and economic well-being of agricultural communities. Field to Market® provides useful measurement tools and resources to growers and the supply chain that track and create opportunities for continuous improvement at the farm level. This program promotes a voluntary, collaborative approach to sustainability that is expressly science-based, technology neutral and focused on outcomes that are within a grower's control.

**Program Services** - Field to Market's® program services include the following:

*Membership and Communications* - Field to Market® members include grower organizations, agribusinesses, food, beverage, restaurant and retail companies, conservation groups, universities and public sector partners. Members can join various working groups which include the following: Goals and Regional Mapping, Metrics, Technology, Continuous Improvement and Verification. The Field to Market® website provides regular blogs, news articles, press releases as well as the Field to Market brochure, fact sheets, videos and reports.

*Goals and Regional Mapping* - Generates specific, attainable goals for Field to Market's® program that include making recommendations to the General Assembly to establish measurable sustainability goals that are directly related to metrics used within the Field to Market® program as well as determining regional maps that support prioritization for local projects based on resources of highest concern for a particular growing area. Goals and Regional Mapping also creates protocols for goal setting for use by Fieldprint projects within local sourcing areas as well as makes recommendations to the General Assembly on overall program participation goals over time.

*Information, Communication and Engagement (ICE)* - Creates strategies to implement and scale the Field to Market® program through outreach, education and partnership with other programs as well as initiatives to help deliver positive impact at the field and landscape levels. This program includes developing sustainability materials and curriculum that further Field to Market® goals for use by entities that offer decision support services for growers, creating materials for use by local Fieldprint projects to standardize and identify best practices for engaging with growers participating in the Field to Market® program and developing project tracking tools to maximize opportunities to recruit and leverage partners in various geographies and to gather feedback from project administrators and growers.

# FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

### Note 1. **Summary of Significant Accounting Policies** (Continued)

*Information, Communication and Engagement (ICE) (Continued)* - The ICE program also provides greater coordination and guidance across Fieldprint project implementation, including identifying best practices for grower engagement and feedback as well as communication, education and outreach that include leveraging key partnerships to help deliver impact and scale the program.

*Metrics* - Identifies and develops metrics for, report out on and update as necessary key environmental, economic and social indicators of agricultural sustainability. This program also makes recommendations to the Board of Directors on revisions to existing metrics as newly available science becomes available and to the General Assembly on inclusion of new indicators in the Field to Market® program. Metrics also acts as the official review committee for metrics that are developed externally with the goal of being used by Field to Market®.

*Midwest Row Crop Collaborative* - A supply chain collaborative made up of nine Field to Market® members working to scale agricultural solutions that protect air and water quality and enhance soil health while remaining committed to producing enough food to feed the growing global population. These companies and conservation groups are all committed to building a broad partnership in three pilot states: Illinois, Iowa and Nebraska. This group will measure and deliver improved environmental outcomes through cross-sector collaboration and continuous improvement that scales throughout the Upper Mississippi River Basin.

*Technology* - Makes recommendations on Field to Market's® current and future technology needs, as well as updates the Fieldprint Calculator algorithms. Technology also oversees maintenance of the Fieldprint Calculator, including improved functionality, interoperability with USDA models and inclusion of new crops. This program also establishes best practices for integration with other tools and software, including recommendations on licensing of the algorithms through an application program interface. It manages policies and protocols related to incoming grower data that includes standards for data storage, sharing, aggregation and privacy policies. Technology also ensures documentation of all algorithms to meet transparency standards under ISEAL as well as oversees all activity related to benchmark updates and restructuring for use in the Fieldprint Calculator and associated tools.

*Verification* - Oversees the creation, refinement and publication of governance and process documents that will enhance the credibility and transparency of the organization. This program also oversees Field to Market's® engagement in the ISEAL organizational verification process and develops participation, measurement and impact claims for use by the Field to Market® membership as well as the process used to substantiate claims. Verification also develops policies and protocols for aggregation and sharing of data to measure against program goals and support member claims as well as reviews any non-preapproved member claims.

# FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

Note 1. **Summary of Significant Accounting Policies** (Continued)

**Basis of Accounting** - The accompanying financial statements are presented on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

**Basis of Presentation** - The net assets are reported in three self-balancing groups as follows:

Unrestricted net assets - includes unrestricted net revenue received without donor-imposed restrictions. These net assets are available for the operation of Field to Market® and include both internally designated and undesignated resources.

Temporarily restricted net assets - includes revenue subject to donor-imposed stipulations that will be met by the actions of Field to Market® and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - represent funds restricted by the donor to be maintained in perpetuity by Field to Market®. Field to Market® had no permanently restricted net assets at December 31, 2015.

**Income Taxes** - Field to Market® is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

**Uncertain Tax Positions** - For the year ended December 31, 2015, Field to Market® has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

**Cash and Cash Equivalents** - Field to Market® considers all cash and highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Contributions and Grants Receivable** - Contributions and grants receivables are reported at the unpaid balances, less an estimate for doubtful receivables based on an annual review of all outstanding items. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Management considers all amounts to be fully received within the next fiscal year. Accordingly, an allowance for doubtful accounts has not been established.

# FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

Note 1. **Summary of Significant Accounting Policies** (Continued)

**Furniture and Equipment** - Furniture and equipment in excess of \$1,000 are capitalized and stated at cost. Depreciation is recorded using the straight-line basis over the estimated useful life of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the year ended December 31, 2015 totaled \$2,847.

**Revenue Recognition Policies** - Membership contributions revenue for the calendar year is recognized as contributions when received. Membership contributions restricted for operations in the subsequent year are included in temporarily restricted revenue.

Unconditional contributions and non-federal grants are recorded when pledged and reported as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Federal grants are recognized as revenue to the extent of expenditures incurred.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction in the year promised or received. When a restriction expires during the year or subsequent years, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Functional Allocation of Expenses** - The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Concentration of Credit Risk** - At various times, Field to Market® has cash deposits at financial institutions which exceed the FDIC insurance limits. The cash equivalents were placed with high credit quality financial institutions and accordingly, Field to Market® has not experienced any losses in such accounts. Field to Market® believes the organization is not exposed to any significant financial risks.

**FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

Note 2. **Furniture and Equipment** - Furniture and equipment costs, net of accumulated depreciation, at December 31, 2015 consists of the following:

Furniture and equipment	\$ 5,422
Less: accumulated depreciation	<u>(2,847)</u>
Total furniture and equipment	<u>\$ 2,575</u>

Depreciation expense totaled \$2,847 for the year ended December 31, 2015.

Note 3. **Net Assets** - Temporarily restricted net assets consisted of the following at December 31, 2015:

Purpose restricted:	
Midwest Row Crop Collaborative	\$ 565,655
Fieldprint Calculator Improvement	224,816
Natural Resource Conservation	7,500
Time restricted:	
Operations in 2016	<u>50,000</u>
Total temporarily restricted net assets	<u>\$ 847,971</u>

Note 4. **Retirement Plan** - Field to Market® maintains a qualified defined contribution retirement plan that covers all employees subject to certain eligibility requirements. Under this plan, Field to Market® contributes three percent of eligible employees' salaries, and employees may contribute a percentage up to Internal Revenue Code limits. Contributions by Field to Market® for the year ended December 31, 2015 totaled \$10,877.

Note 5. **Lease Commitment** - On September 13, 2013, Field to Market® entered into a lease for office space and storage, commencing September 13, 2013 and continuing on a year to year basis. Under the terms of the lease, rental payments began at a base rent of \$3,500 per year, increasing by a factor of 3% per year, plus a proportionate share of expenses. Rent expense (plus a proportionate share of expenses) totaled \$40,275 for the year ended December 31, 2015. For the year ended December 31, 2016, the future minimum rent will be \$43,030.

Note 6. **Subsequent Events** - In preparing the financial statements, Field to Market® has evaluated events and transactions for potential recognition or disclosure through August 17, 2016, the date the financial statements were issued.