

**Field to Market[®] :
The Alliance for Sustainable
Agriculture
December 31, 2017 and 2016**



Field to Market[®]

The Alliance for Sustainable Agriculture

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses for the Year Ended December 31, 2017	5
Statement of Functional Expenses for the Year Ended December 31, 2016	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 13



JOHN T SQUIRE CPA (Retired)

SUSAN A LEMKIN CPA (Retired)

CHRISTOPHER J MATHEWS CPA

BART J LANMAN CPA CFP®

ROBERT J KOPERA CPA

LISA M BLACKMORE CPA MBA

ALISON J OLSEN CPA

SQUIRE, LEMKIN + COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

111 ROCKVILLE PIKE

SUITE 475

ROCKVILLE MARYLAND 20850

301 424 6800 TELEPHONE

301 424 6892 FACSIMILE

EMAIL SUPPORT@MYCPAS.COM

WWW.MYCPAS.COM

INDEPENDENT AUDITORS' REPORT

Board of Directors
Field to Market®: The Alliance for Sustainable Agriculture
Washington, DC

We have audited the accompanying financial statements of Field to Market®: The Alliance for Sustainable Agriculture (a non-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Syware, Lember + Co., LLP

September 26, 2018

FIELD TO MARKET[®]: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
ASSETS	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,328,140	\$ 714,789
Contributions and grants receivable	476,513	160,490
Prepaid expenses	24,846	8,277
TOTAL CURRENT ASSETS	<u>\$ 1,829,499</u>	<u>\$ 883,556</u>
OTHER ASSETS:		
Fixed assets, net	\$ 249,154	\$ 256,372
Deposits	16,662	16,662
TOTAL OTHER ASSETS	<u>\$ 265,816</u>	<u>\$ 273,034</u>
TOTAL ASSETS	<u><u>\$ 2,095,315</u></u>	<u><u>\$ 1,156,590</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 424,281	\$ 308,630
NET ASSETS:		
Unrestricted	\$ 801,024	\$ 564,810
Temporarily restricted	870,010	283,150
TOTAL NET ASSETS	<u>\$ 1,671,034</u>	<u>\$ 847,960</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,095,315</u></u>	<u><u>\$ 1,156,590</u></u>

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

FIELD TO MARKET[®]: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31,

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT:						
Membership contributions	\$ 1,982,500	\$ -	\$ 1,982,500	\$ 1,870,000	\$ -	\$ 1,870,000
Grants and sponsorships	19,120	1,106,719	1,125,839	13,745	497,800	511,545
Contributions for Midwest Row Crop Collaborative	-	-	-	-	250,000	250,000
Government grants	62,510	-	62,510	79,990	-	79,990
Interest income	431	-	431	508	-	508
Miscellaneous	-	-	-	2,500	-	2,500
Net assets released from restrictions	519,859	(519,859)	-	1,312,621	(1,312,621)	-
TOTAL REVENUE AND SUPPORT	\$ 2,584,420	\$ 586,860	\$ 3,171,280	\$ 3,279,364	\$ (564,821)	\$ 2,714,543
EXPENSES:						
Program services:						
Metrics	\$ 524,943	\$ -	\$ 524,943	\$ 403,079	\$ -	\$ 403,079
Technology	374,404	-	374,404	369,937	-	369,937
Education and outreach	339,101	-	339,101	-	-	-
Verification	307,243	-	307,243	173,918	-	173,918
Awards and recognition	96,883	-	96,883	-	-	-
Fieldprint Platform 3.0	66,771	-	66,771	-	-	-
Information, Communication, and Engagement (ICE)	-	-	-	318,016	-	318,016
Midwest Row Crop Collaborative	-	-	-	765,818	-	765,818
NRCS Metrics Alignment Project	-	-	-	159,979	-	159,979
Total program services	\$ 1,709,345	\$ -	\$ 1,709,345	\$ 2,190,747	\$ -	\$ 2,190,747
Management and general	471,212	-	471,212	461,509	-	461,509
Membership development	167,649	-	167,649	331,589	-	331,589
TOTAL EXPENSES	\$ 2,348,206	\$ -	\$ 2,348,206	\$ 2,983,845	\$ -	\$ 2,983,845
CHANGE IN NET ASSETS	\$ 236,214	\$ 586,860	\$ 823,074	\$ 295,519	\$ (564,821)	\$ (269,302)
NET ASSETS:						
BEGINNING OF YEAR	564,810	283,150	847,960	269,291	847,971	1,117,262
END OF YEAR	\$ 801,024	\$ 870,010	\$ 1,671,034	\$ 564,810	\$ 283,150	\$ 847,960

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, 2017

	Program Services						Total	Management	Membership	Total
	Awards and Recognition	Education and Outreach	Fieldprint Platform 3.0	Metrics	Technology	Verification	Program Services	and General	Development	
Expenses:										
Personnel costs	\$ 63,611	\$ 205,644	\$ -	\$ 168,827	\$ 179,653	\$ 195,432	\$ 813,167	\$ 168,210	\$ 113,450	\$ 1,094,827
Technology and Fieldprint Calculator	2,727	8,637	65,361	6,711	87,381	8,182	178,999	8,919	4,546	192,464
Meetings and events	9,909	32,743	-	25,869	25,423	32,734	126,678	23,713	18,219	168,610
Metrics	1,115	13,752	-	110,661	19,372	11,134	156,034	3,082	1,858	160,974
Travel	122	18,016	1,410	12,468	5,754	3,824	41,594	65,887	1,157	108,638
Rent	6,061	19,193	-	14,913	16,402	18,183	74,752	17,559	10,101	102,412
Research	-	-	-	90,000	-	-	90,000	-	-	90,000
Depreciation	5,454	17,274	-	13,422	14,762	16,364	67,276	13,528	9,091	89,895
Legal fees	-	-	-	-	-	-	-	79,198	-	79,198
Accounting	-	-	-	-	-	-	-	70,378	-	70,378
Fieldprint	353	4,368	-	35,146	6,153	3,536	49,556	979	590	51,125
Professional fees	349	4,305	-	34,642	6,064	3,485	48,845	965	582	50,392
Telephone and technology	1,818	5,758	-	4,474	4,921	5,455	22,426	6,372	3,030	31,828
Other expenses	1,769	4,609	-	3,980	4,320	4,365	19,043	6,463	2,484	27,990
Communications and publications	3,212	3,839	-	2,982	3,280	3,637	16,950	4,505	2,020	23,475
Bad debt expense	383	963	-	848	919	912	4,025	1,454	521	6,000
Total Expenses	<u>\$ 96,883</u>	<u>\$ 339,101</u>	<u>\$ 66,771</u>	<u>\$ 524,943</u>	<u>\$ 374,404</u>	<u>\$ 307,243</u>	<u>\$ 1,709,345</u>	<u>\$ 471,212</u>	<u>\$ 167,649</u>	<u>\$ 2,348,206</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, 2016

	Program Services									Total
	Information, Communication, and Engagement	Metrics	Midwest Row Crop Collaborative	NRCS Metrics Alignment Project	Technology	Verification	Total Program Services	Management and General	Membership Development	
Expenses:										
Personnel costs	\$ 103,773	\$ 89,015	\$ 17,992	\$ 109,100	\$ 98,255	\$ 66,814	\$ 484,949	\$ 186,193	\$ 118,111	\$ 789,253
Contribution expense	-	-	662,037	-	-	-	662,037	13,454	-	675,491
Professional fees	47,800	8,153	68,457	9,667	9,395	47,128	190,600	5,825	12,193	208,618
Technology and Fieldprint Calculator	-	-	-	-	203,447	-	203,447	-	-	203,447
Metrics	-	171,875	-	-	-	-	171,875	-	-	171,875
Fieldprint	132,732	-	-	-	14,601	-	147,333	-	-	147,333
Meetings and events	12,261	12,752	5,205	14,628	14,609	11,541	70,996	3,313	58,127	132,436
Travel	-	4,385	2,202	-	3,782	-	10,369	67,043	41,987	119,399
Rent	13,957	14,429	7,088	17,299	16,812	12,762	82,347	409	20,799	103,555
Legal fees	-	-	-	-	-	-	-	100,192	-	100,192
Research	-	80,000	-	-	-	-	80,000	-	-	80,000
Communications and publications	1,232	3,873	341	1,526	1,483	1,126	9,581	4	68,147	77,732
Accounting	-	-	-	-	-	-	-	65,654	-	65,654
Strategic development consultants	-	-	-	-	-	28,823	28,823	-	-	28,823
Telephone and technology	3,695	3,819	1,075	4,579	4,450	3,378	20,996	1,217	5,511	27,724
Other expenses	1,745	1,929	1,194	2,162	2,114	1,595	10,739	8,039	5,491	24,269
Honorarium	-	12,000	-	-	-	-	12,000	-	-	12,000
Depreciation	821	849	227	1,018	989	751	4,655	2,353	1,223	8,231
Bad debt expense	-	-	-	-	-	-	-	7,813	-	7,813
Total Expenses	\$ 318,016	\$ 403,079	\$ 765,818	\$ 159,979	\$ 369,937	\$ 173,918	\$ 2,190,747	\$ 461,509	\$ 331,589	\$ 2,983,845

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

FIELD TO MARKET[®]: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31,	
	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 823,074	\$ (269,302)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	89,895	8,231
Decrease (increase) in:		
Contributions and grants receivable	(316,023)	22,323
Prepaid expenses	(16,569)	(6,612)
Deposits	-	(14,512)
Increase in:		
Accounts payable and accrued expenses	115,651	148,036
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 696,028</u>	<u>\$ (111,836)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	\$ (82,677)	\$ (262,028)
NET CASH USED IN INVESTING ACTIVITIES	<u>\$ (82,677)</u>	<u>\$ (262,028)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 613,351	\$ (373,864)
CASH AND CASH EQUIVALENTS:		
BEGINNING OF YEAR	<u>714,789</u>	<u>1,088,653</u>
END OF YEAR	<u>\$ 1,328,140</u>	<u>\$ 714,789</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, 2017 AND 2016

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:

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. 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 includes 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®.

FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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

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.

NRCS Metrics Alignment Project - Natural Resources Conservation Service (USDA-NRCS) facilitates the flow of consistent conservation information provided to farmers and ranchers through private, public and non-governmental sources, and establishes protocols for the development and maintenance of consistent metrics for key environmental indicators by both FTM and NRCS. This includes convening sustainability groups to identify resource issues in which they have a common interest and plan for metrics development and maintenance; developing technical recommendations for ensuring consistency in data input requirements and resource assessment outputs between the Fieldprint® Calculator and the NRCS Resource Stewardship platform; and developing technical, administrative, and legal protocols for data sharing between the NRCS planning database and the Fieldprint Calculator at the request of producers.

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, 2017 AND 2016

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

Awards & Recognition - To develop awards and recognition programs for Field to Market® members and growers, including establishing criteria and a process for selecting winners. The committee will also consider how various recognition opportunities, incentive programs and other value added opportunities can help accelerate grower adoption of sustainable practices.

Education & Outreach - To develop resources to help scale Field to Market's® program and accelerate continuous improvement at the field and landscape levels. This includes developing education materials for use by entities that offer decision support services for growers, as well as information for use by local Fieldprint projects to standardize and identify best practices for engaging with growers that are participating in our program.

Fieldprint Platform 3.0 - To develop a field level data collection and reporting tool to help row crop farmers assess how agronomic practices affect water use, soil conservation, soil carbon, biodiversity, land use, water quality, energy use and greenhouse gas emissions. The Fieldprint Platform Version 3.0 will include a number of improvements, upgrades and new functionality that are essential to creating the efficiencies and credibility necessary to scale Field to Market's® Supply Chain Sustainability Program.

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 - Net assets are reported in three 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 statements 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, 2017 and 2016.

Income Taxes - Field to Market® is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. However, income from any activities not related to Field to Market's® tax-exempt purpose would be subject to taxation as unrelated business income.

FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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

Accounting for Uncertain Tax Positions - Field to Market® complies with the provisions of Financial Accounting Standards Board Codification topic *Accounting for Uncertainty in Income Taxes*, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Field to Market® recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Field to Market® does not believe its financial statements include any uncertain tax positions. No provision for income taxes is reflected in the accompanying financial statements for the years ended December 31, 2017 and 2016.

Tax returns are subject to examination by federal and state taxing authorities, generally for three years after filing. Field to Market®'s returns for the years ended 2014 through 2016 are open to such examination.

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 receivable 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 expects all amounts to be fully received within the next calendar year. Accordingly, an allowance for doubtful accounts has not been established.

Fixed Assets - Fixed assets 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.

Revenue Recognition - Membership contributions are classified as contributions, rather than exchange transactions, and are recognized in revenue when received. Membership contributions restricted for operations in the subsequent year are included in temporarily restricted revenue.

Unconditional contributions, sponsorships 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.

Interest income and other miscellaneous income are recognized as revenue when earned.

FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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

Functional Allocation of Expenses - The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and statements 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.

Reclassification - Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net assets.

Note 2. **Fixed Assets** - Fixed asset costs, net of accumulated depreciation, at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 5,954	\$ 4,363
Website and software	341,852	260,765
Less: accumulated depreciation	<u>(98,652)</u>	<u>(8,756)</u>
Total fixed assets	<u>\$ 249,154</u>	<u>\$ 256,372</u>

Note 3. **Temporarily Restricted Net Assets** - Temporarily restricted net assets consisted of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Purpose restricted:		
Midwest Row Crop Collaborative	\$ 38,278	\$ 30,716
Fieldprint Platform 3.0	703,405	--
Metrics	93,066	237,434
Peanut Metric Development Project	--	15,000
Canadian Strategy	<u>35,261</u>	<u>--</u>
Total temporarily restricted net assets	<u>\$ 870,010</u>	<u>\$ 283,150</u>

FIELD TO MARKET®: THE ALLIANCE FOR SUSTAINABLE AGRICULTURE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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 five percent of eligible employees' salaries, and employees may contribute a percentage up to Internal Revenue Code limits. Contributions by Field to Market® for the years ended December 31, 2017 and 2016 totaled \$56,200 and \$29,622, respectively.

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 month, increasing by a factor of 3% per year, plus a proportionate share of expenses. On December 30, 2015, Field to Market® entered into an agreement for additional office space, commencing January 1, 2016 through January 31, 2019. Under the terms of the lease, rental payments began at a base rent of \$8,240 per month, subject to a 3% increase per year. On June 7, 2018, Field to Market® entered into a lease agreement, commencing November 1, 2018 through February 28, 2029 for 3,443 square feet of office space, and an improvement allowance of \$45 per square foot. Under the terms of the lease, rental payments will be \$49 per square foot, increasing 2.5% per year. Rent expense (plus a proportionate share of expenses) totaled \$102,412 and \$103,556 for the years ended December 31, 2017 and 2016, respectively. Approximate future minimum lease payments as of December 31, 2017 are as follows:

<u>Years ending December 31,</u>	
2018	\$ 82,643
2019	141,292
2020	173,645
2021	177,986
2022	182,436
Thereafter	<u>1,230,480</u>
Total	<u>\$ 1,988,482</u>

Note 6. **Subsequent Events** - In preparing the financial statements, Field to Market® has evaluated events and transactions for potential recognition or disclosure through September 26, 2018, the date the financial statements were available to be issued.