

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

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019



**Field to Market®**

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

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## **INDEPENDENT AUDITOR'S REPORT**

The 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 nonprofit organization, 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 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 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 audits 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 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 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, 2020 and 2019 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.

*UHY LLP*

Columbia, Maryland  
May 7, 2021

**FIELD TO MARKET®:**  
**THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 667,735	\$ 428,376
Contributions and grants receivable	280,807	215,600
Prepaid expenses	<u>38,179</u>	<u>33,234</u>
Total current assets	<u>986,721</u>	<u>677,210</u>
<b>NON-CURRENT ASSETS</b>		
Property and equipment, net	557,723	844,532
Deposits	<u>30,315</u>	<u>44,374</u>
Total non-current assets	<u>588,038</u>	<u>888,906</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,574,759</u></u>	<u><u>\$ 1,566,116</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 64,842	\$ 144,249
Deferred leasehold improvement allowance	<u>3,955</u>	<u>3,955</u>
Total current liabilities	<u>68,797</u>	<u>148,204</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred rent	84,669	73,878
Deferred leasehold improvement allowance, net of current portion	<u>28,340</u>	<u>32,295</u>
Total non-current liabilities	<u>113,009</u>	<u>106,173</u>
Total liabilities	<u>181,806</u>	<u>254,377</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,135,639	1,198,828
With donor restrictions	<u>257,314</u>	<u>112,911</u>
Total net assets	<u>1,392,953</u>	<u>1,311,739</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,574,759</u></u>	<u><u>\$ 1,566,116</u></u>

See notes to financial statements.

**FIELD TO MARKET®:**  
**THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**  
**STATEMENTS OF ACTIVITIES**  
For the years ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Membership contributions	\$ 1,979,980	\$ -	\$ 1,979,980	\$ 1,924,950	\$ -	\$ 1,924,950
Grants and sponsorships	10,500	415,000	425,500	37,500	395,000	432,500
In-kind contributions	47,709	-	47,709	62,000	-	62,000
License income	60,000	-	60,000	25,000	-	25,000
Miscellaneous	7,036	-	7,036	6,379	-	6,379
Government grant	10,807	-	10,807	-	-	-
Paycheck Protection Program grant revenue	214,521	-	214,521	-	-	-
Interest income	120	-	120	527	-	527
Net assets released from restrictions	270,597	(270,597)	-	599,893	(599,893)	-
<b>Total revenue and support</b>	<b>2,601,270</b>	<b>144,403</b>	<b>2,745,673</b>	<b>2,656,249</b>	<b>(204,893)</b>	<b>2,451,356</b>
<b>EXPENSES</b>						
Program services	2,187,912	-	2,187,912	2,239,590	-	2,239,590
Supporting services	476,547	-	476,547	733,924	-	733,924
<b>Total expenses</b>	<b>2,664,459</b>	<b>-</b>	<b>2,664,459</b>	<b>2,973,514</b>	<b>-</b>	<b>2,973,514</b>
<b>Change in Net Assets</b>	<b>(63,189)</b>	<b>144,403</b>	<b>81,214</b>	<b>(317,265)</b>	<b>(204,893)</b>	<b>(522,158)</b>
<b>Net Assets, Beginning</b>	<b>1,198,828</b>	<b>112,911</b>	<b>1,311,739</b>	<b>1,516,093</b>	<b>317,804</b>	<b>1,833,897</b>
<b>Net Assets, Ending</b>	<b>\$ 1,135,639</b>	<b>\$ 257,314</b>	<b>\$ 1,392,953</b>	<b>\$ 1,198,828</b>	<b>\$ 112,911</b>	<b>\$ 1,311,739</b>

See notes to financial statements.

**FIELD TO MARKET®:**  
**THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2020

	PROGRAM SERVICES								SUPPORTING SERVICES				TOTAL
	Metrics	Education	Technology	Verification	Harmonization	Awards and Recognition	Accelerator Projects	Stakeholder Convening	Total	Management and General	Membership Development	Total	
		and Outreach							Program Services			Supporting Services	
Personnel Costs:													
Salaries	\$ 227,086	\$ 101,785	\$ 163,871	\$ 135,802	\$ 124,248	\$ 45,308	\$ 200,366	\$ 98,619	\$ 1,097,085	\$ 148,567	\$ 66,550	\$ 215,117	\$ 1,312,202
Payroll taxes	17,490	7,839	12,621	10,459	9,570	3,490	15,432	7,596	84,497	11,442	5,126	16,568	101,065
Employee benefits	26,294	11,786	18,975	15,724	14,387	5,246	23,200	11,419	127,031	17,202	7,706	24,908	151,939
Total personnel costs	270,870	121,410	195,467	161,985	148,205	54,044	238,998	117,634	1,308,613	177,211	79,382	256,593	1,565,206
Accounting	-	-	-	-	-	-	-	-	-	79,586	-	79,586	79,586
Advertising and marketing	6,930	12,513	2,262	2,019	1,849	36,575	5,944	3,286	71,378	2,088	4,824	6,912	78,290
Depreciation and amortization	6,721	3,013	354,970	4,019	3,677	1,341	5,737	2,919	382,397	4,161	1,970	6,131	388,528
Dues and subscriptions	661	231	189	169	5,155	56	241	598	7,300	174	83	257	7,557
Information technology	6,318	3,409	16,821	3,571	3,281	1,191	10,920	3,084	48,595	3,698	3,693	7,391	55,986
In-kind expenses	-	-	-	-	-	-	19,839	-	19,839	27,870	-	27,870	47,709
Insurance	1,212	543	812	725	663	242	1,034	526	5,757	751	355	1,106	6,863
Legal expenses	-	-	-	-	-	-	19,839	-	19,839	17,373	-	17,373	37,212
Meetings and events	425	463	395	-	38	476	746	1,325	3,868	9,085	679	9,764	13,632
Miscellaneous	-	-	-	-	-	-	-	-	-	10,495	-	10,495	10,495
Office expenses	4,708	4,760	1,622	1,129	1,065	421	1,960	851	16,516	1,265	1,577	2,842	19,358
Printing and postage	1,009	452	677	603	552	201	861	546	4,901	625	295	920	5,821
Professional development	-	-	-	-	-	-	-	-	-	1,823	-	1,823	1,823
Professional fees	-	-	62,968	-	-	-	-	20,042	83,010	4,129	-	4,129	87,139
Rent	39,328	17,628	26,353	23,519	21,518	7,847	33,569	17,079	186,841	24,355	11,525	35,880	222,721
Research	5,500	-	6,450	-	-	-	-	-	11,950	-	-	-	11,950
Tech/Calculator	-	-	4,166	-	-	-	-	-	4,166	-	-	-	4,166
Travel	1,668	1,735	1,517	392	1,921	-	4,742	967	12,942	3,703	3,772	7,475	20,417
<b>Total expenses</b>	<b>\$ 345,350</b>	<b>\$ 166,157</b>	<b>\$ 674,669</b>	<b>\$ 198,131</b>	<b>\$ 187,924</b>	<b>\$ 102,394</b>	<b>\$ 344,430</b>	<b>\$ 168,857</b>	<b>\$ 2,187,912</b>	<b>\$ 368,392</b>	<b>\$ 108,155</b>	<b>\$ 476,547</b>	<b>\$ 2,664,599</b>

**FIELD TO MARKET®:**  
**THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2019

	PROGRAM SERVICES								SUPPORTING SERVICES				TOTAL
	Metrics	Education and Outreach	Technology	Verification	Harmonization	Awards and Recognition	Accelerator Projects	Stakeholder Convening	Total Program Services	Management and General	Membership Development	Total Supporting Services	
Personnel Costs:													
Salaries	\$ 249,560	\$ 136,690	\$ 168,590	\$ 113,004	\$ 70,198	\$ 42,142	\$ 152,926	\$ 72,614	\$ 1,005,724	\$ 172,680	\$ 90,067	\$ 262,747	\$ 1,268,471
Payroll taxes	19,284	10,562	13,027	8,732	5,424	3,256	11,817	5,611	77,713	13,342	6,960	20,302	98,015
Employee benefits	27,903	15,283	18,850	12,635	7,849	4,712	17,098	8,119	112,449	19,305	10,070	29,375	141,824
Total personnel costs	296,747	162,535	200,467	134,371	83,471	50,110	181,841	86,344	1,195,886	205,327	107,097	312,424	1,508,310
Accounting	-	-	-	-	-	-	-	-	-	81,485	-	81,485	81,485
Advertising and marketing	2,709	30,792	1,830	1,227	762	33,780	6,385	788	78,273	1,860	32,521	34,381	112,654
Depreciation and amortization	7,554	4,138	331,022	3,421	2,125	1,276	4,629	2,198	356,363	5,190	2,726	7,916	364,279
Dues and subscriptions	1,129	546	545	952	5,228	138	497	234	9,269	557	292	849	10,118
Information technology	8,305	4,808	6,135	3,735	2,386	1,389	5,234	6,021	38,013	5,656	4,909	10,565	48,578
In-kind expenses	-	-	-	-	-	-	-	-	-	62,000	-	62,000	62,000
Insurance	1,285	704	868	582	361	217	787	374	5,178	884	464	1,348	6,526
Legal expenses	-	-	-	-	-	-	-	-	-	72,375	-	72,375	72,375
Meetings and events	8,222	7,929	2,683	5,967	-	23,292	1,020	75,544	124,657	33,060	8,448	41,508	166,165
Miscellaneous	-	-	-	-	-	-	-	-	-	2,903	-	2,903	2,903
Office expenses	2,639	1,754	1,783	1,195	742	1,971	1,616	1,705	13,405	1,890	5,825	7,715	21,120
Printing and postage	1,489	1,729	1,006	675	419	252	912	2,408	8,890	1,024	537	1,561	10,451
Professional development	-	-	-	325	-	-	-	-	325	10,156	-	10,156	10,481
Professional fees	15,507	1,390	96,901	-	-	-	33,217	15,548	162,563	6,092	-	6,092	168,655
Rent	35,416	19,398	23,925	16,037	9,962	5,980	21,702	10,305	142,725	24,333	12,782	37,115	179,840
Research	37,297	-	-	-	-	-	-	-	37,297	-	-	-	37,297
Tech/Calculator	-	-	3,488	-	-	-	-	-	3,488	-	-	-	3,488
Travel	11,283	6,320	4,057	3,080	4,729	2,958	8,014	22,817	63,258	19,259	24,272	43,531	106,789
<b>Total expenses</b>	<b>\$ 429,582</b>	<b>\$ 242,043</b>	<b>\$ 674,710</b>	<b>\$ 171,567</b>	<b>\$ 110,185</b>	<b>\$ 121,363</b>	<b>\$ 265,854</b>	<b>\$ 224,286</b>	<b>\$ 2,239,590</b>	<b>\$ 534,051</b>	<b>\$ 199,873</b>	<b>\$ 733,924</b>	<b>\$ 2,973,514</b>



**FIELD TO MARKET®:**  
**THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 81,214	\$ (522,158)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	388,528	364,279
Changes in operating assets and liabilities:		
Contributions and grants receivable	(65,207)	(7,221)
Prepaid expenses	(4,945)	(7,295)
Deposits	14,059	-
Accounts payable and accrued expenses	(79,407)	(262,945)
Deferred rent	10,791	43,141
Deferred leasehold improvement allowance	(3,955)	(3,954)
	<u>341,078</u>	<u>(396,153)</u>
Net cash provided (used) by operating activities		
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	<u>(101,719)</u>	<u>(299,989)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	239,359	(696,142)
<b>Cash and Cash Equivalents, Beginning</b>	<u>428,376</u>	<u>1,124,518</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 667,735</u>	<u>\$ 428,376</u>

**FIELD TO MARKET®:  
THE ALLIANCE FOR SUSTAINABLE AGRICULTURE  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2020 and 2019**

**NOTE 1 - NATURE OF THE ORGANIZATION**

**Organization**

Field to Market®: The Alliance for Sustainable Agriculture (Field to Market®) is a nonprofit 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 a common framework for sustainability measurement that farmers and the supply can use to better understand and assess performance at the field, local, state, and national levels. Field to Market® offers programs that provide platforms that helps the food and agricultural supply chain benchmark sustainability performance, catalyze continuous improvement and enable brands and retailers to characterize the sustainability of key sourcing regions as well as measure and report the progress against environmental goals.

**Program Services**

Field to Market®'s program services include the following:

Metrics - Identifies and develops metrics for reporting on and updating 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 new scientific information 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®.

Education and Outreach - Develops resources to help scale Field to Market®'s programs 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 Accelerator projects to standardize and identify best practices for engaging with growers that are participating in our programs.

Technology - Makes recommendations on Field to Market®'s current and future technology needs, as well as updates to the Fieldprint Calculator algorithms. Oversees maintenance of the Fieldprint Platform, 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 programming interface. It manages policies and protocols related to incoming grower data that includes standards for data storage, sharing, aggregation, and privacy policies.

**FIELD TO MARKET®:**  
**THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2020 and 2019**

**NOTE 1 - NATURE OF THE ORGANIZATION (Continued)**

**Program Services (Continued)**

Verification - Oversees the creation, refinement, and publication of governance and process documents that will enhance the credibility and transparency of Field to Market®'s programs. This includes establishing processes and protocols to substantiate members' sustainability claims, as well as the data requirements to support these claims. The program also oversees the engagement with any third-party verifiers and ensures ongoing compliance with ISEAL requirements.

Harmonization - Oversees efforts to align Field to Market®'s program with other sustainability programs and standards in the United States and globally. Seeks to ensure that participation in Field to Market®'s program will enable opportunities for members seeking recognition, equivalency, or reporting options with other sustainability standards. Explores similarities and differences with other metrics platforms with an intent to achieve a common measurement framework for U.S. farmers and supply chains.

Awards and Recognition - Oversees awards and recognition programs for Field to Market® members and growers, including establishing criteria and a process for selecting winners and communicating these results. This program also develops information about how various recognition opportunities, incentive programs, and other value-added opportunities can help growers accelerate continuous improvement in sustainability outcomes.

Accelerator projects - Provides support to Field to Market® members in the implementation of Accelerator projects with participating growers and supply chain partners. This program provides opportunities for shared learning, anonymous peer-to-peer benchmarking, education for improving crop production and natural resource management, and demonstration of the value of the Fieldprint Platform in documenting and accelerating continuous improvement in sustainability outcomes.

Stakeholder Convening - Diverse stakeholders are convened together to facilitate multi-stakeholder collaborations, advance shared learning, and drive collective action to advance Field to Market®'s mission and goals. This program area enables Field to Market® to bring together diverse perspectives to co-create strategies to address key opportunities and barriers in scaling sustainable agriculture, including Cross-Sector Dialogues, the Sustainable Agriculture Summit, biannual plenaries, and other non-governance related convenings.

**FIELD TO MARKET®:  
THE ALLIANCE FOR SUSTAINABLE AGRICULTURE  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2020 and 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of Field to Market® have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

**Use of Estimates**

The preparation of financial statements in accordance with GAAP in the United States requires management to make estimates and assumptions that affect the reported amount 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.

**Contributions and Grants Receivable**

Contributions and grants receivable consist of unconditional promises to give and are recorded at the earlier of the date received or the date of receipt of a donor's non-contingent promises or pledge. Unconditional promises to give that are expected to be collected in one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The discount will be recognized as contribution revenue in future fiscal years as the discount is amortized over the duration of the contributions.

Annually, management determines if an allowance for doubtful accounts is necessary based upon review of outstanding receivables, historic collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on individual credit evaluation and specific circumstances of the parties involved. Based on management's evaluation of and expectation to collect receivables within one year of the years ended December 31, 2020 and 2019, no allowance for doubtful accounts was deemed necessary.

**Property and Equipment**

Property and equipment with a useful life of greater than one year and a cost basis of \$5,000 or greater, are reported at a cost and depreciated on the straight-line basis over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized at the lesser of the useful life of the asset or the remaining term of the lease agreement.

**FIELD TO MARKET®:**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2020 and 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment (Continued)**

Work in process represents costs incurred on the website and software design and development that have not yet been completed and placed in service as of December 31, 2020 or 2019. Depreciation will be recorded on these assets when Field to Market® has substantially completed the work and placed the assets into service.

Repairs and maintenance are expensed when incurred. When property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss included in the statements of activities.

**Net Assets**

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of Field to Market® and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net assets with donor restrictions - Net assets with donor restrictions consists of assets whose use is limited by donor-imposed time and/or purpose restrictions. Field to Market® reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restrictions are met, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided by maintained permanently (perpetual in nature) while permitting an organization to expend income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. Field to Market® does not have any permanently restricted net assets with donor restrictions.

See Note 5 for more information on the composition of net assets with donor restrictions.

**FIELD TO MARKET®:**  
**THE ALLIANCE FOR SUSTAINABLE AGRICULTURE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2020 and 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Membership and license contributions are classified as contributions, rather than exchange transactions, and are recognized as revenue when received. Membership and license contributions restricted for operations in the subsequent year are included in with donor restricted revenue.

Grants and sponsorships received, including unconditional promises to give, are reported as revenue in the year notification or cash is received from the donor. Grants and sponsorships are reported as either revenues without donor restrictions or revenues with donor restrictions. Grants and sponsorships with donor-imposed conditions and restrictions that are used for the purpose specified by the donor in the same year as the grant and sponsorship is received are recognized as revenues without donor restrictions. Grant revenue related to exchange transactions is reported when earned.

Conditional contributions for which the conditions have been substantially met or explicitly waived by the donor are recorded as contribution revenue. Contributions that are restricted by the donor are reported as a refundable advance until all conditions are substantially met to remove the restriction.

In-kind contributions consist of donated professional services and are recognized at fair value when received. The amounts reflected in the accompanying financial statements as support are offset by the same amount in expenses. Support is recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations.

Miscellaneous and interest income are recognized as revenue when earned.

**Expense Allocation**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require an allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort except for direct costs associated with specific programs, which are recorded as expenses for the program benefited.

**FIELD TO MARKET®:  
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NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2020 and 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising Costs**

Field to Market® expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2020 and 2019 totaled \$15,785 and \$43,505, respectively, and are included in advertising and marketing in the statements of functional expenses.

**Income Taxes**

Field to Market® is exempt from federal and state income taxes (except on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes has been recorded for the years ended December 31, 2020 or 2019, since Field to Market® had no taxable income from unrelated business activities.

The income tax positions taken by Field to Market® for any years open under the various statutes of limitations are that Field to Market® continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. Field to Market® believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of Field to Market®'s federal or state income tax returns are currently under examination.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statements in order for them to correspond to current year format and standards. Total net assets and changes in net assets are unchanged due to these reclassifications.

**Accounting Pronouncements Not Yet Adopted**

In 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU changes the accounting treatment for operating leases by recognizing both a lease asset and a lease liability, at the present value of the lease payments, in the statement of financial position. Additional disclosures regarding key information about the leasing arrangements will also be required. FASB also issued ASU 2019-10 that deferred the effective date until the year ended December 31, 2021, when Field to Market® plans to adopt Topic 842.

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**NOTE 3 - CONTRIBUTIONS AND GRANTS RECEIVABLE**

As of December 31, 2020 and 2019, contributions and grants receivable included the following:

	<u>2020</u>	<u>2019</u>
Due in less than 1 year	<u>\$ 280,807</u>	<u>\$ 215,600</u>

During 2019, Field to Market® signed a grant agreement for \$720,000 of which \$360,000 was not recognized as revenue or as a receivable as of December 31, 2019 because qualifying expenditures, conditions, and outcomes for the program have not yet been met. During 2020, the conditions were met and revenue was recognized.

**NOTE 4 - PROPERTY AND EQUIPMENT**

The cost of property and equipment and the related accumulated depreciation and amortization consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Fieldprint Platform website and software	\$ 1,303,178	\$ 1,073,569
Leasehold improvements	50,882	50,882
Furniture and fixtures	18,418	18,418
Work in process on website and software	<u>14,505</u>	<u>142,395</u>
	1,386,983	1,285,264
Less: accumulated depreciation and amortization	<u>(829,260)</u>	<u>(440,732)</u>
Net value of property and equipment	<u>\$ 557,723</u>	<u>\$ 844,532</u>

For the years ended December 31, 2020 and 2019, depreciation and amortization expense totaled \$388,528 and \$364,279, respectively.



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**NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Purpose Restrictions:		
Education and outreach	\$ 105,971	\$ 22,916
Technology	44,846	50,000
Metrics	19,301	3,066
Field print project	14,032	25,904
Harmonization	60,377	5,828
Verification	7,787	5,197
Time Restricted		
FFAR grant matching funds	<u>5,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 257,314</u>	<u>\$ 112,911</u>

**NOTE 6 - PAYCHECK PROTECTION PROGRAM REFUNDABLE ADVANCE**

On April 30, 2020, Field to Market® was granted a loan for \$214,521 from Jefferson Security Bank under the Paycheck Protection Program “PPP”. The loan is administered by the U.S. Small Business Administration (“SBA”), under the Coronavirus Aid, Relief and Economic Security (“CARES Act”). The loan is uncollateralized and is fully guaranteed by the Federal government. The PPP loan bears interest at a fixed rate of 1.0% per annum and has a two-year term that matures on April 30, 2022. Monthly principal and interest payments were scheduled to begin on November 30, 2020.

Field to Market® is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements such as maintaining employment levels during its eight-week covered period and using the funds for certain payroll and utility expenses. Field to Market® has initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return for the PPP loan no longer existed. For the year ended December 31, 2020, Field to Market® has recognized \$214,521 as Paycheck Protection Program grant revenue. The application for forgiveness has been submitted subsequent to December 31, 2020, and both the local bank and the SBA must review and approve the forgiveness application. Field to Market® was notified on February 23, 2021 that the entire loan balance and interest will be forgiven by the bank once the SBA provides the bank with funds.

According to the rules of the SBA, the Company is required to retain PPP loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Company’s judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Company may be required to adjust previously reported amounts and disclosures in the financial statements.

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**NOTE 7 - 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, 2020 and 2019 totaled \$64,843 and \$60,299, respectively, and are included with employee benefits in the statements of functional expenses.

**NOTE 8 - LEASE COMMITMENT**

Field to Market®'s office lease agreement will expire on February 28, 2029. The agreement specifies for an improvement allowance of \$45 per square foot and rental payments will be \$49 per square foot with 2.5% increase per year which is recorded on a straight-line basis over the entire lease term.

The agreement requires an initial monthly base rental payment of \$14,059, subject to a 2.5% rate increase on each anniversary of the sublease commencement date. Field to Market® accounts for the escalating payments from the original lease and the abatement by spreading the rent payments as expenses, on a straight-line basis, over the term of the lease resulting in a deferred rent liability.

Future minimum lease payments for years ending December 31 are summarized as follows:

2021	\$ 177,986
2022	182,436
2023	186,997
2024	191,672
2025	196,464
Thereafter	<u>655,348</u>
	<u>\$ 1,590,903</u>

For the years ended December 31, 2020 and 2019, rent expense, including the proportionate share of the building's operating costs and real estate taxes, totaled \$222,721 and \$179,840, respectively.

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**NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

Field to Market®'s financial assets available within one year for general operations from December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 667,735	\$ 428,376
Contributions and grants receivable	<u>280,807</u>	<u>215,600</u>
Total financial assets available within one year	948,542	643,976
Less, amounts unavailable for general operations within one year due to:		
Restrictions by donors with purpose or time restrictions	<u>(257,314)</u>	<u>(112,911)</u>
Total financial assets available to management for general operations within one year	<u>\$ 691,228</u>	<u>\$ 531,065</u>

Field to Market® maintains a policy of structuring their financial assets to be available as their general expenditures, liabilities, and other obligations come due. Field to Market® regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Field to Market® considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures. Field to Market® operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**NOTE 10 - CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject Field to Market® to credit risk include cash deposits with banks in excess of the insurance limitations of the Federal Deposit Insurance Corporation. At times, deposits may exceed federally insured deposit limits. Management does not consider this a significant concentration of credit risk.

**NOTE 11 - COVID-19 FINANCIAL STATEMENT IMPACTS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. Field to Market® is closely monitoring its liquidity and is actively working to minimize the impact of these declines. In response to local and state government mandated business closures, Field to Market® continues their operations through remote access.

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**NOTE 12 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 7, 2021, which is the date the financial statements are available to be issued. On February 23, 2021, the PPP Loan forgiveness application was approved and no amounts are due for principal or interest.

Except as previously disclosed, management has determined that there are no other subsequent events which require disclosure.