

THE FIELD'S EDGE, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Field's Edge, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Field's Edge, Inc., (the Organization), which comprise of the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows, and functional expenses 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 in the first paragraph present fairly, in all material respects, the financial position of the Organization, as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative information

We have previously audited the Organization's financial statements and my report dated June 16, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.



Odessa, Texas
April 22, 2021



THE FIELD'S EDGE, INC.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 2,096,796	\$ 1,280,126
Accounts Receivable		10,259	33,763
Deposit		750	750
Other Asset – Escrow Water Line		458,323	-
Unconditional Promise to Give, Net		<u>6,953</u>	<u>8,000</u>
TOTAL CURRENT ASSETS		2,573,081	1,322,639
PROPERTY AND EQUIPMENT - NET			
Land		\$ 709,800	709,800
Temporary Housing		50,500	12,500
Llamas		4,000	4,000
Llamas Trailer		3,000	-
Office Equipment		3,731	3,731
Bus		8,995	-
Construction In Progress:			
Design		231,117	-
Soil Sampling		1,282	-
Storm Water Management		<u>12,776</u>	<u>-</u>
Total Property and Equipment		1,025,201	730,031
Less Accumulated Depreciation		<u>(11,465)</u>	<u>(508)</u>
Net Property and Equipment		<u>1,013,736</u>	<u>729,523</u>
Unconditional Promise to Give, Net-Long Term		<u>6,953</u>	<u>97,987</u>
TOTAL ASSETS		<u>\$ 3,616,027</u>	<u>\$ 2,150,149</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable and Accrued Expenses		\$ 6,887	\$ 5,964
Note Payable – Paycheck Protection Program		<u>12,500</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		19,387	5,964
NET ASSETS			
Without Donor Restrictions		2,410,032	269,517
With Donor Restrictions		<u>1,186,608</u>	<u>1,874,668</u>
TOTAL NET ASSETS		<u>3,596,640</u>	<u>2,144,185</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 3,616,027</u>	<u>\$ 2,150,149</u>

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

THE FIELD'S EDGE, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total all classes</u>	
			<u>2020</u>	<u>2019</u>
PUBLIC SUPPORT AND REVENUE				
Direct Public Support	\$ 237,459	\$ -	\$ 237,459	\$ 241,869
Indirect Public Support	6,525	-	6,525	670
Non-Cash Contributions	34,585	8,995	43,580	719,950
Glean Up Program	-	81,114	81,114	-
Capital Campaign	-	1,398,547	1,398,547	964,514
Investment Income	-	2,264	2,264	4,452
Program Fees	1,657	-	1,657	-
Economic Injury Disaster Loan Advance	2,000	-	2,000	-
Other Income	14,047	-	14,047	-
In Kind	7,320	-	7,320	2,680
Net Assets Released from Restrictions:				
Satisfaction of Purpose Restriction	<u>2,178,980</u>	<u>(2,178,980)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	2,482,573	(688,060)	1,794,513	1,934,135
EXPENSES				
Program Services	22,006	-	22,006	20,900
Management and General	297,083	-	297,083	106,463
Fundraising	15,649	-	15,649	34,666
In Kind	<u>7,320</u>	<u>-</u>	<u>7,320</u>	<u>-</u>
TOTAL OPERATING EXPENSES	342,058	-	342,058	162,029
CHANGES IN NET ASSETS	2,140,515	(688,060)	1,452,455	1,772,106
NET ASSETS, beginning of year	<u>269,517</u>	<u>1,874,668</u>	<u>2,144,185</u>	<u>372,079</u>
NET ASSETS, end of year	<u>\$ 2,410,032</u>	<u>\$ 1,186,604</u>	<u>\$ 3,596,640</u>	<u>\$ 2,144,185</u>

The accompanying notes are an integral part of these financial statements

THE FIELD'S EDGE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>Program</u>	Management and <u>General</u>	<u>Fundraising</u>	<u>2020</u>	<u>2019</u>
Salaries	\$ -	\$ 151,942	\$ -	\$ 151,942	\$ 59,568
Payroll taxes	-	18,829	-	18,829	5,291
Processing Fees	<u>-</u>	<u>1,271</u>	<u>-</u>	<u>1,271</u>	<u>1,344</u>
 Total Salary and Related Expense	 -	 172,042	 -	 172,042	 66,203
 Accounting	 -	 2,000	 -	 2,000	 1,900
Advertising	-	9,890	-	9,890	1,130
Bad Debt	-	-	-	-	2,068
Charitable Contributions	-	-	-	-	563
Conferences & Meetings	-	-	-	-	1,225
Contract/Consulting Services	2,717	-	-	2,717	22,981
Contract Fundraising	-	-	15,649	15,649	32,585
Glean Up Work	19,289	-	-	19,289	-
Insurance	-	30,673	-	30,673	1,999
Office Expenses	-	24,795	-	24,795	9,172
Occupancy	-	42,967	-	42,967	14,388
Other Expenses	-	3,575	-	3,575	4,627
Travel	<u>-</u>	<u>184</u>	<u>-</u>	<u>184</u>	<u>-</u>
 Total Expenses Before Depreciation	 <u>22,006</u>	 <u>286,126</u>	 <u>15,649</u>	 <u>323,781</u>	 <u>161,521</u>
 Depreciation Expense	 <u>-</u>	 <u>10,957</u>	 <u>-</u>	 <u>10,957</u>	 <u>508</u>
 Total Functional Expenses	 <u>\$ 22,006</u>	 <u>\$ 297,083</u>	 <u>\$ 15,649</u>	 <u>\$ 334,738</u>	 <u>\$ 162,029</u>

The accompanying notes are an integral part of these financial statements

THE FIELD'S EDGE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2020</u>	<u>2019</u>
Cash collected from revenue and other support	\$ 1,878,257	\$ 1,079,803
Cash paid for operating expenses	(322,858)	(153,627)
Interest Income	<u>2,264</u>	<u>4,452</u>
NET CASH PROVIDED (USED) BY OPERATIONS	1,557,663	930,628
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(49,995)	(22,581)
Work In Process – Preconstruction	(245,175)	-
Escrow Water Line	<u>(458,323)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(753,493)	(22,581)
CASH FLOWS FROM FINANCING ACTIVITIES		
PROCEEDS FROM PAYCHECK PROTECTION PROGRAM NOTE PAYABLE	<u>12,500</u>	<u>-</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	12,500	-
 Net Increase (Decrease) In Cash and Cash Equivalents	 816,670	 908,047
CASH at Beginning of Year	<u>1,280,126</u>	<u>372,079</u>
CASH at End of Year	<u>\$ 2,096,796</u>	<u>\$ 1,280,126</u>
 RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	\$ 1,452,455	\$ 2,063,956
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	10,957	508
Accounts Receivable	23,504	(33,763)
Prepaid Expenses	-	(750)
Accounts Payable	923	5,964
Unconditional Promise to Give	<u>69,824</u>	<u>(105,987)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,557,663</u>	<u>\$ 1,929,928</u>

The accompanying notes are an integral part of these financial statements

THE FIELD'S EDGE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – ORGANIZATION

The Field's Edge, Inc., (the Organization) is a nonprofit organization under the laws of the State of Texas. The Organization's purpose is to promote human dignity by cultivating homes for the homeless and empowering lifestyle of service for the glory of Christ. The Organization's support comes primarily from individual and business contributions.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting consistent with generally accepted accounting principles applicable to voluntary health and welfare organizations in the United States of America.

Property and Equipment

Property and equipment are carried at cost. In the case of donated assets, cost is determined based on the fair value of the donated asset at the time of donation. Depreciation is computed using the straight-line method over estimated useful lives of five to thirty-nine years using the straight-line method.

Major renewals and betterments are added to the property and equipment accounts, while the cost of repairs and maintenance are charged to operations in the period incurred. With respect to dispositions of assets, the costs of assets retired or otherwise disposed of and the applicable accumulated depreciation are removed from the accounts, and the resulting gain or loss is reflected in operations.

Contributed Services

The Organization's receives a substantial amount of services donated by volunteers in carrying out the Organization's mission. No amounts have been recognized in the statement of activities because the criteria for recognition of such volunteer effort under authoritative literature have not been satisfied.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents.

Concentration of Credit Risk

The Organization maintains its cash balances in a couple of accounts, in an institution. During the year the amounts on deposit exceeded the \$250,000 federally insured limit. The Organization has not experienced any losses in such account. Management believes the Organization is not exposed to any significant credit risk related to cash.

THE FIELD'S EDGE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes

The Organization is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Management is required to evaluate the tax positions taken by the Organization and recognize a tax liability if the organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS.

Management has analyzed the tax positions of the Organization and has concluded that as of December 31, 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization's form 990 are subject to examination by the IRS, generally for three years after they were filed. Management believes it is no longer subject to income tax examination for years prior to 2017.

Total Columns

Total columns represent a summary of information for memorandum purposes only and are not intended to present consolidated financial statement information.

Recognition of Contributions

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

New Accounting Pronouncements

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-14 (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* ("Update"). The Update reduces the number of net asset classes from three to two, those with donor restrictions and those without, requires all nonprofits to report expenses by nature and function and improves information presented in financial statements and notes that are useful in assessing a not-for-profit's liquidity, financial performance, and cash flows. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018. Early application of the amendments in the Update is permitted. The Organization has not elected to early implement the amendments.

THE FIELD'S EDGE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard replaces the current revenue recognition requirements and most industry-specific guidance. When adopted, the amendments in this ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods beginning after December 15, 2018. The Organization is currently evaluating the impact of the provisions of ASU Topic 606.

On June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as a contribution (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2019, for transactions in which the entity services as the resource provider. Early application of the amendments in this update is permitted. The Organization is currently evaluating the impact of the provision of ASU Topic 958.

In 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. The Organization is currently evaluating the impact of the provisions of ASU Topic 842.

Organization grants are recognized as contributions under authoritative literature since they are not exchange transactions.

Subsequent Events

The Organization has evaluated events subsequent to the date of the statement of net assets (December 31, 2020) through April 22, 2021 the date these financial statements were suitable to be issued.

Functional Allocation of Expenses

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

THE FIELD'S EDGE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- **Net Assets Without Donor Restrictions**

Net Assets without donor restrictions are resources available to support operations. The only limits on the use of donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into on the course of its operations.

- **Net Assets With Donor Restrictions**

Net Assets with Donor Restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from the net assets with donor restrictions to net assets without restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as donor restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Some net assets with donor restrictions are resources whose use by the Organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

All revenue and net gains are reported as increase in Net Assets Without Donor Restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions.

Promise to Give

We record unconditional promises to give at net realizable value. Promises to give are written off when deemed uncollectible. At December 31, 2020, the allowance was \$0.00.

THE FIELD'S EDGE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

NOTE C – LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date.

Comprise the following:

Cash	\$ 618,338
Accounts Receivable	10,259
Pledge Receivable	6,953
Prepaid Expense	750
Other Asset – Escrow Water Line	<u>458,323</u>
 TOTAL	 <u>\$ 1,094,623</u>

Escrow Water Line:

Per the City Engineer, a follow-up final inspection was conducted in April 2021. Although the final stabilization had not been achieved, circumstances existed that warrant an exception for this site. With regard to civil public improvements, the project is complete with no punch list items outstanding. Engineering Services will issue a Letter of Acceptance of Public Infrastructure upon receipt of a copy of the itemized Certified Final Payment to the contractor and a Lien Waiver from the contractor to the developer for all contracts associated with this project. Once the project is accepted the Escrow Water Funds will be refunded.

THE FIELD'S EDGE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE D – LEASES

The Field's Edge, Inc., entered into a lease agreement with First H & H Holdings, LLC on November 1, 2020. The lease term is for one year, ending on October 31, 2021, unless terminated sooner as provided in the lease agreement. The monthly rent is \$540 and \$750.

The monthly rental fee of \$540 is recorded as "Gifts In Kind", because First H & H Holdings, LLC is not requiring payment from The Fields Edge, Inc., for the first office.

The Field's Edge entered in a lease agreement with Gabby Herrera on April 20, 2020. The lease term is for one year beginning on May 1, 2020 and ends on April 30, 2021. The total monthly payment for 3 RV spaces is \$1,350.

The monthly rental fee of \$140 is recorded as "Gifts in Kind," because Oasis RV and Boat Storage is not requiring payment from The Field's Edge, Inc. for storage space.

NOTE E – CAPITAL CAMPAIGN

In 2019 The Field's Edge, Inc., began a Capital Campaign to cultivate 10 tiny homes, a hospitality building, a tiny chapel, a market, and a health center for the homeless, and empower a lifestyle of service for the Glory of Christ. The estimated cost of the Capital Campaign is approximately \$4.3 million. Construction is estimated to be completed in 2021.

NOTE F – PROPERTY TAXES

The Field's Edge, Inc.'s land market value is around \$700,000. Because the land is being removed as property with agriculture, The Field's Edge, Inc., is required to pay three years of rollback taxes. The Corporation is applying for a tax rollback exemption for all taxing entities. Only two of the twenty-three acres are being developed. The Corporation is working with Representative Tom Craddick's office, and the Board has approved to hire a lawyer to assist with the tax relief issue.

Currently, Midland Central Appraisal District is using the Wildlife Agriculture valuation to calculate the property taxes. The entire property is under this exemption; however, the two acres being developed will roll out of wildlife valuation and trigger the rollback on the two acres as soon as construction is complete and the certificate of occupancy is received. To prevent the developed property from triggering the rollback tax and be taxed in the future years at a normal rate with improvements. The Field's Edge filed a bill for a legislative change. Representative Tom Craddick is carrying House Bill 349 for The Field's Edge which will then completely exempt the property taxes based on charitable organization status, and will not have a wildlife exemption. If the House Bill is passed it will go into effect on January 2022. The Field's Edge is hopeful it will pass because it is a local bill and recently a local bill passed. If the bill does not pass, The Field's Edge will be subject to approximately \$4,000 in rollback taxes on the two acres.

THE FIELD'S EDGE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2020, net assets with donor restrictions are available for the following purposes:

	<u>2020</u>
Capital Campaign	\$ 1,447,786
Glean Up Program	<u>30,672</u>
Total	<u>\$ 1,478,458</u>

NOTE H – PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at December 31, 2019 and 2020:

	<u>2020</u>	<u>2019</u>
Within One Year	\$ 6,953	\$ 8,700
In One to Five Years	<u>29,210</u>	<u>99,355</u>
	\$ 36,163	\$ 108,055
Less Allowance for Uncollectable Promises To Give	<u>-</u>	<u>(2,068)</u>
Promises To Give appear as follows in the Statements of financial position:		
Promises To Give, Net	<u>\$ 36,163</u>	<u>\$ 105,987</u>

At December 31, 2020, two donors accounted for 57% of total promises to give. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. There are two such promises: The JE and LE Mabee Foundation, Inc., and the Beal Foundation.

The JE and LE Mabee Foundation, Inc. issued a challenge grant in the amount of \$750,000 with the condition The Field's Edge raising the balance needed for the total project, \$3,550,000 from other contributors by October 8, 2020, further provided the exempt status with the IRS is still in full force and effect at the time any payment is made, and the commencement of construction, notification of project costs and assurance that such costs are within available resources.

THE FIELD'S EDGE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE H – PROMISES TO GIVE (Cont'd)

The Beal Foundation has approved a conditional grant of \$250,000. The conditional grant is contingent upon 1.) The Field's Edge secures the remaining \$2,750,000 budgeted for the project by November 1, 2020, and 2.) The scope and purpose of the project remain materially unaltered, and 3.) Ground breaking occurs and construction commences by November 1, 2020. The \$250,000 grant was received by The Field's Edge in April 2021.

NOTE I – NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM FORGIVENESS

The Organization received an advancement of \$12,500 from Frost Bank on April 9, 2020 as part of the Paycheck Protection Program (PPP). The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers employed. The U.S. Small Business Administration (SBA) will forgive loans if all employees retention criteria are met, and the funds are used for eligible expenses. The loan program part of the CARES Act is to provide relief for American workers and small businesses.

Borrowers may be eligible for loan forgiveness if the funds were used for eligible payroll costs, payments on business mortgage interest payments, rent or utilized during either the 8 or 24 week period after disbursement. A borrower can apply for forgiveness once it has used all loan proceeds for which the borrower is requesting for forgiveness. Borrowers can apply for forgiveness any time up to the maturity date of the loan.

The loan, if not forgiven, is payable in 18 installments of \$694 beginning on November 17, 2020 and all subsequent payments are due on the same day of each month following, at an interest rate of 1.00%, final payment is due April 17, 2022. The loan is unsecured.

The Organization utilized \$12,500 of the PPP loan funds prior to year-end. The Organization submitted the PPP Loan Forgiveness Application in April 2021, and forgiveness approval was granted in April 2021.

Economic Injury Disaster Loan – The Organization received \$2,000 in an EIDL Advance. EIDL Advance funds were originally calculated based on the number of employees on an applicant's COVID-19 EIDL application: \$1,000/employee, up to a maximum of \$10,000. The EIDL Advance does not have to be repaid.

NOTE J – RISKS AND UNCERTAINTIES

The COVID-19 outbreak in the United States has created economic uncertainties that may impact future operations. The extent of the impact on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organizations' customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.