

Financial Statements

2020

Edge Outreach, Inc.
d/b/a Waterstep

December 31, 2020 and 2019



Financial Statements

**Edge Outreach, Inc.
d/b/a Waterstep**

December 31, 2020 and 2019

Independent Auditors' Report 1

Financial Statements

 Statements of Financial Position 3

 Statements of Activities 4

 Statements of Functional Expenses 5

 Statements of Cash Flows 7

 Notes to Financial Statements 8



Independent Auditors' Report

Board of Directors
Edge Outreach, Inc.
Louisville, Kentucky

We have audited the accompanying financial statements of Edge Outreach, Inc. d/b/a Waterstep (the "Organization"), which are comprised of 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.

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 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 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 Organization'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 Organization'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 Edge Outreach, Inc. 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.

Strotman and Company

Louisville, Kentucky
June 1, 2021

Statements of Financial Position

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

	December 31	
	2020	2019
Assets		
Current Assets		
Cash	\$ 172,993	\$ 142,585
Restricted cash	48,522	37,420
Accounts receivable	1,719	
Inventories	208,136	168,000
Prepaid expenses	9,382	7,450
Total Current Assets	440,752	355,455
Property and Equipment , net of accumulated depreciation	1,038,469	1,070,339
Other Intangible Assets , net of accumulated amortization of \$1,180 (2020) and \$91 (2019)	17,340	18,429
Total Assets	\$ 1,496,561	\$ 1,444,223
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 18,640	\$ 39,898
Line of credit		251,181
Unearned rent		11,301
Current maturities of long-term debt	15,087	5,926
Total Current Liabilities	33,727	308,306
Long-Term Debt , less current maturities	276,613	3,644
Total Liabilities	310,340	311,950
Net Assets		
Without donor restriction	1,137,699	1,094,853
With donor restriction	48,522	37,420
Total Net Assets	1,186,221	1,132,273
Total Liabilities and Net Assets	\$ 1,496,561	\$ 1,444,223

See Notes to Financial Statements

Statements of Activities

Edge Outreach, Inc.
d/b/a Waterstep, Inc.

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Revenues and Support						
Program Service Revenues						
Product sales	\$ 127,435	\$	\$ 127,435	\$ 64,491	\$	\$ 64,491
Shoe program	124,236		124,236	136,186		136,186
Safe water trips				27,000		27,000
Safe water training	600		600	4,500		4,500
Support						
Contributions	600,002	\$ 87,400	687,402	572,080	\$ 39,836	611,916
In-kind contributions	65,285		65,285	99,340		99,340
Grants	25,000	90,250	115,250	37,500		37,500
Fundraising events						
Less direct fundraising expenses	\$ 40,068		\$ 40,068			
	7,389		7,389			
Rental income	32,679		32,679	24,175		24,175
Miscellaneous income	25,800		25,800	36,900		36,900
	1,489		1,489	935		935
	1,002,526	177,650	1,180,176	965,607	77,336	1,042,943
Net Assets Released from Restrictions	166,548	(166,548)		151,120	(151,120)	
Total Revenues and Support	1,169,074	11,102	1,180,176	1,116,727	(73,784)	1,042,943
Expenses						
Program Services	893,972		893,972	936,386		936,386
General and administrative	127,413		127,413	137,370		137,370
Fundraising	197,343		197,343	162,266		162,266
Total Expenses	1,218,728		1,218,728	1,236,022		1,236,022
Other Income						
Forgiveness of Paycheck Protection Program loan	92,500		92,500			
Changes in Net Assets	42,846	11,102	53,948	(119,295)	(73,784)	(193,079)
Net Assets at Beginning of Year	1,094,853	37,420	1,132,273	1,214,148	111,204	1,325,352
Net Assets at End of Year	\$ 1,137,699	\$ 48,522	\$ 1,186,221	\$ 1,094,853	\$ 37,420	\$ 1,132,273

See Notes to Financial Statements

Statements of Functional Expenses

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

	Year Ended December 31, 2020										
	Program Activities					Supporting Activities					Total Expenses
	Safe Water	Disaster Relief	Shoe Program	Programs Subtotal	General and Administrative	Fundraising	Supporting Subtotal				
Salaries	\$ 114,778	\$ 28,694	\$ 98,383	\$ 241,855	\$ 61,559	\$ 132,441	\$ 194,000	\$		\$ 435,855	
Payroll taxes	8,063	2,016	7,197	17,276	4,660	9,481	14,141			31,417	
Employee benefits	20,740	5,185	15,033	40,958	6,215	14,357	20,572			61,530	
Total Salary and Related Expenses	143,581	35,895	120,613	300,089	72,434	156,279	228,713			528,802	
Safe water supplies	76,240	2,090		78,330						78,330	
Safe water products	165,015	21,399		186,414						186,414	
Professional fees					11,361		11,361			11,361	
Travel	9,081	10,761	3,401	23,243						23,243	
Supplies			8,992	8,992		8,029	8,029			17,021	
Printing and advertising	22,786	2,962	2,962	28,710	6,348		6,348			35,058	
Meals	1,298	432	1,068	2,798	2,162	2,162	4,324			7,122	
Postage and shipping	337	112	2,783	3,232	562	562	1,124			4,356	
Direct mail solicitation						4,571	4,571			4,571	
Insurance	12,118	4,039	4,039	20,196	2,312	1,089	3,401			23,597	
Utilities	13,513	4,505	4,505	22,523	475	711	1,186			23,709	
Equipment	4,934	1,644	1,644	8,222	173	260	433			8,655	
Service contracts	10,325	3,442	3,442	17,209	363	543	906			18,115	
Auto expense	202	68	12,111	12,381	337	337	674			13,055	
Banking and finance fees	2,944	982	982	4,908	9,344		9,344			14,252	
Repairs and maintenance	3,537	1,179	1,179	5,895	125	186	311			6,206	
Interest expense	7,332	2,444	2,444	12,220	257	386	643			12,863	
Information technology	25,481	8,493	8,493	42,467	5,308	5,308	10,616			53,083	
Office expense	3,951	1,317	1,317	6,585	6,580	6,583	13,163			19,748	
Telephone expense	1,823	608	608	3,039	3,041	3,039	6,080			9,119	
Depreciation	58,544	19,515	19,515	97,574	2,054	3,081	5,135			102,709	
Amortization	653	218	218	1,089						1,089	
Loss on disposal of equipment	2,254	752	752	3,758	79	119	198			3,956	
Membership dues	2,458	820	820	4,098	4,098	4,098	8,196			12,294	
	\$ 568,407	\$ 123,677	\$ 201,888	\$ 893,972	\$ 127,413	\$ 197,343	\$ 324,756			\$ 1,218,728	

See Notes to Financial Statements

Statements of Functional Expenses

Edge Outreach, Inc.
d/b/a Waterstep, Inc.

	Year Ended December 31, 2019									
	Program Activities					Supporting Activities				
	Safe Water	Disaster Relief	Shoe Program	Programs Subtotal	General and Administrative	Fundraising	Supporting Subtotal	Total Expenses		
Salaries	\$ 139,165	\$ 33,474	\$ 94,882	\$ 267,521	\$ 63,731	\$ 81,095	\$ 144,826	\$ 412,347		
Payroll taxes	9,607	2,301	7,041	18,949	4,812	5,852	10,664	29,613		
Employee benefits	19,104	4,776	8,555	32,435	4,266	6,382	10,648	43,083		
Total Salary and Related Expenses	167,876	40,551	110,478	318,905	72,809	93,329	166,138	485,043		
Safe water supplies	107,962	14,187		122,149				122,149		
Safe water products	150,786	22,954		173,740				173,740		
Consultant fees	4,537	1,396	1,047	6,980	12,916		16,547	16,547		
Professional fees	28,568	1,076	1,538	31,182		917	13,833	31,182		
Travel			14,586	14,586		11,769	11,769	26,355		
Supplies			2,797	18,645	7,992	7,992	7,992	26,637		
Printing and advertising	12,119	3,729	1,480	5,335	4,538	4,536	9,074	14,409		
Meals	2,948	907	2,679	3,665	1,161	1,161	2,322	5,987		
Postage and shipping	754	232				3,740	3,740	3,740		
Direct mail solicitation						985	3,101	21,271		
Insurance	12,286	3,634	2,250	18,170	2,116			25,422		
Utilities	15,698	4,830	3,623	24,151	508	763	1,271	9,845		
Equipment	6,081	1,871	1,403	9,355	195	295	490	16,910		
Service contracts	10,442	3,213	2,410	16,065	338	507	845	14,895		
Auto expense	280	86	13,667	14,033	431	431	862	11,157		
Banking and finance fees	673	207	155	1,035	10,122		10,122	4,222		
Repairs and maintenance	2,607	802	602	4,011	84	127	211	10,809		
Interest expense	6,675	2,054	1,540	10,269	216	324	540	39,154		
Information technology	16,796	5,168	3,876	25,840	7,441	5,873	13,314	24,256		
Office expense	5,255	1,617	1,213	8,085	8,086	8,085	16,171	8,184		
Telephone expense	1,774	546	409	2,729	2,727	2,728	5,455	100,543		
Depreciation	62,085	19,103	14,327	95,515	2,012	3,016	5,028	91		
Amortization	59	18	14	91				11,029		
Membership dues	2,389	735	551	3,675	3,678	3,676	7,354	11,632		
Conferences and conventions	5,314	1,635	1,226	8,175		3,457	3,457			
	\$ 623,964	\$ 130,551	\$ 181,871	\$ 936,386	\$ 137,370	\$ 162,266	\$ 299,636	\$ 1,236,022		

See Notes to Financial Statements

Statements of Cash Flows

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

	Year Ended December 31	
	2020	2019
Cash Flows From Operating Activities		
Changes in net assets	\$ 53,948	\$ (193,079)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	102,709	100,543
Amortization	1,089	91
Loss on disposal of equipment	3,956	
Forgiveness of Paycheck Protection Program loan	(92,500)	
Changes in operating assets and liabilities		
Accounts receivable	(1,719)	22,701
Inventory	(40,136)	(57,242)
Prepaid expenses	(1,932)	(7,450)
Accounts payable	(21,258)	14,945
Deferred safe water trip revenue		(5,400)
Unearned rent	(11,301)	11,301
	<u>(7,144)</u>	<u>(113,590)</u>
Net Cash Used In Operating Activities	(7,144)	(113,590)
Cash Flows From Investing Activities		
Purchases of property and equipment	(86,152)	(49,612)
Proceeds from disposal of property and equipment	11,357	
Other intangible assets		(5,746)
	<u>(74,795)</u>	<u>(55,358)</u>
Net Cash Used In Investing Activities	(74,795)	(55,358)
Cash Flows From Financing Activities		
Payments on long-term debt	282,130	(5,671)
Net borrowings (payments) on line of credit	(251,181)	110,000
Proceeds from Paycheck Protection Program loan	92,500	
	<u>123,449</u>	<u>104,329</u>
Net Cash Provided By Financing Activities	123,449	104,329
	41,510	(64,619)
Net Increase (Decrease) in Cash	41,510	(64,619)
Cash Beginning of Year	<u>180,005</u>	<u>244,624</u>
	Cash at End of Year	Cash at End of Year
	<u>\$ 221,515</u>	<u>\$ 180,005</u>
Cash	\$ 172,993	\$ 142,585
Restricted cash	48,522	37,420
	<u>\$ 221,515</u>	<u>\$ 180,005</u>
Cash at End of Year	\$ 221,515	\$ 180,005
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 12,863</u>	<u>\$ 10,809</u>

See Notes to Financial Statements

Notes to Financial Statements

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

December 31, 2020 and 2019

Note A--Nature of Organization

Edge Outreach, Inc., d/b/a Waterstep, Inc., (the "Organization") acting through its Board of Directors, operates as a not-for-profit organization established to empower ordinary people to provide safe water solutions, sanitation and basic needs to communities in need. The Organization is dependent on contributions from supporters and revenues from mission projects, product sales and community education and engagement program services.

Note B--Summary of Significant Accounting Policies

Basis of Accounting--The financial statements of the Organization are prepared on the accrual basis of accounting. The *Accounting Standards Codification* ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative generally accepted accounting principles.

Basis of Presentation--The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Organization classifies mission trip revenue as net assets with donor restrictions until the related mission trip is taken. The Organization reports contributions as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, net assets with donor restrictions are reported in the statements of activities as net assets released from restrictions. Certain contributions and grants received and earned with in the same year are recorded as support without donor restrictions in the accompanying statements of activities.

Use of Estimates--The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment--Property and equipment is stated at cost if purchased, or at fair market value if donated. Depreciation is computed using straight-line over the estimated useful lives of the assets. Renewals and betterments in excess of \$1,000 and that extend the economic useful lives of the related assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are reduced, and any gain or loss is included in the statements of activities.

Other Intangible Asset--The Organization has a patent-related intangible asset recorded on the statements of financial position. The patent was internally developed and carried at the legal and filing costs associated with obtaining and defending the patent. The patent is amortized on a straight-line basis over its legal life estimated at 17 years. Amortization expense was \$1,089 and \$91 for the years ended December 31, 2020 and 2019, respectively.

Continued

Notes to Financial Statements--Continued

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

December 31, 2020 and 2019

Note B--Summary of Significant Accounting Policies--Continued

Management evaluates the useful life of the patent-related intangible asset and reviews for potential impairment annually whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable.

Impairment of Long-Lived Assets--Management of the Organization reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition, are less than its carrying amount. There were no charges for impairment of long-lived assets during 2020 or 2019.

In-Kind Contributions--The Organization receives a substantial amount of services donated by volunteers, equipment, and supplies in carrying out the Organization's mission. Such in-kind contributions are recorded as support and program expenses in the accompanying statements of activities at their fair value, in accordance with accounting principles generally accepted in the United States of America.

The Organization also receives some free non-technical services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities because these services do not meet the criteria for recording as in-kind support and expenses.

Income Taxes--The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 141.010(1)(f) of the Kentucky Revised Statutes. The Organization had no unrelated business income for the years ended December 31, 2020 and 2019. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Organization follows generally accepted accounting principles which prescribe a comprehensive model for how an organization should measure, recognize, present and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. For the years ended December 31, 2020 and 2019, the Organization determined it did not have any uncertain tax positions and the Organization did not incur or accrue any associated interest or penalties related to those positions.

Cash and Cash Equivalents--The Organization considers all short-term investments purchased with maturity of three months or less to be cash equivalents.

Program Service Revenues and Accounts Receivable--The Organization sells water chlorination and sanitation devices and related materials. Items are billed when shipped and the Organization records these amounts as receivables. The Organization uses the direct write off method for uncollectible receivables, and records bad debt expense when the associated receivable is identified as uncollectible.

Continued

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

December 31, 2020 and 2019

Note B--Summary of Significant Accounting Policies--Continued

Contributions--Unconditional promises to give contributions are recognized as support when the donor makes a promise that is in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Management periodically reviews the collectability of promises to give, and any amounts where collection is questionable are reserved.

Advertising Costs--Advertising costs are expensed as incurred. Total advertising expense was \$35,058 and \$26,637 for the years ended December 31, 2020 and 2019, respectively.

Inventories--Inventories of chlorination and sanitation devices and related materials are recorded at the lower of cost (average cost method) or net realizable value. Reserves for obsolete inventory are recorded when an impairment of value is identified. No reserves were recorded at December 31, 2020 or 2019.

Functional Expenses--The costs of providing the various programs and other activities have been summarized in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management estimates the expense allocations based on the percentage of square footage or hours worked for the benefited programs or functions.

Reclassifications--Certain reclassifications have been made to the 2019 financial statements in order for them to be in conformity with current year presentation. There was no effect on the previously reported income and expenses as a result of the reclassification.

Note C--Inventories

Inventories consist of the following:

	Year Ended December 31	
	2020	2019
Raw materials	\$ 122,413	\$ 114,853
Finished goods	85,723	53,147
	<u>\$ 208,136</u>	<u>\$ 168,000</u>

Notes to Financial Statements--Continued

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

December 31, 2020 and 2019

Note D--Property and Equipment

Property and equipment consists of the following:

	December 31	
	2020	2019
Land	\$ 40,320	\$ 40,320
Building	1,043,488	1,030,595
Furniture, fixtures, and equipment	380,676	334,391
Vehicles	42,802	41,252
	<u>1,507,286</u>	<u>1,446,558</u>
Less accumulated depreciation	468,817	376,219
	<u>\$ 1,038,469</u>	<u>\$ 1,070,339</u>

Note E--Line of Credit

The Organization maintains a revolving line of credit with Republic Bank which allows for borrowings up to \$50,000 and expires in July 2021. Outstanding borrowings bear interest at prime rate plus 0.5% (not to be less than 5.25%.) The bank's prime rate was 3.25% and 4.75% at December 31, 2020 and 2019, respectively. The line of credit is collateralized by the Organization's building.

Notes to Financial Statements--Continued

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

December 31, 2020 and 2019

Note F--Long-Term Debt

Long-term debt consists of the following:

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Note payable to Republic Bank, requiring monthly principal and interest payments of \$2,244 through May 2030; interest at 4.10%; collateralized by the building	\$ 291,700	
Note paid off during the current year		\$ 9,570
Less current maturities	<u>15,087</u>	<u>5,926</u>
	<u>\$ 276,613</u>	<u>\$ 3,644</u>

Future minimum payments are as follows:

<u>Year Ending December 31</u>	
2021	\$ 15,087
2022	15,726
2023	16,392
2024	17,059
2025	17,810
Thereafter	<u>209,626</u>
	<u>\$ 291,700</u>

Notes to Financial Statements--Continued

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

December 31, 2020 and 2019

Note G--Net Assets with Donor Restrictions

Net assets with donor restrictions of \$48,522 and \$37,420 at December 31, 2020 and 2019, respectively, are restricted for specified purposes as follows:

	December 31	
	2020	2019
Restricted for Specified Purposes:		
Disaster relief	\$ 33,260	\$ 23,449
Mission projects	12,709	
Mission trips		5,520
Capital projects		4,000
Ambassador program		1,360
Miscellaneous	2,553	3,091
	<u>\$ 48,522</u>	<u>\$ 37,420</u>

Note H--Liquidity and Availability of Financial Assets

The Organization's major sources of support are corporate grants and contributions, and even though this support can fluctuate significantly from year to year, the Organization has a strong cash position to cover its monthly financial obligations.

The following table reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations.

	December 31	
	2020	2019
Cash	\$ 172,993	\$ 142,585
Restricted cash	48,522	37,420
Accounts receivable, to be collected in less than one year	1,719	
Total financial assets, excluding noncurrent receivables	223,234	180,005
Contractual or donor-imposed restrictions:		
Cash restricted by donors for specified purposes	<u>(48,522)</u>	<u>(37,420)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 174,712</u>	<u>\$ 142,585</u>

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

December 31, 2020 and 2019

Note I--Retirement Plan

The Organization has a Simplified Employee Pension ("SEP") Individual Retirement Account covering all full-time employees. The Organization provides discretionary contributions each year to the individual retirement account or individual retirement annuity ("IRA"). Employer contributions of \$14,177 were incurred during 2020.

Note J--In-Kind Contributions

Amounts recorded as in-kind contributions consisted of the following:

	December 31	
	2020	2019
Manufacturing labor	\$ 50,000	\$ 64,000
Manufacturing supplies	15,285	35,340
	<u>\$ 65,285</u>	<u>\$ 99,340</u>

Note K--Paycheck Protection Program

In April 2020, the Organization obtained a U.S Small Business Administration ("SBA") Paycheck Protection Program loan ("PPP") of \$92,500. Any portion of the loan not used for qualifying costs would be payable over two years at an interest rate of 1%. The PPP loan is administered by the SBA through an eligible lender.

The PPP loan, if it is used for certain expenses (payroll, retirement contributions, health insurance costs, rent and utilities), can be forgiven. On December 23, 2020, the PPP loan in the amount of \$92,500 was forgiven by the SBA.

As such, the proceeds have been shown as other income on the statements of activities in accordance with technical guidance provided by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board, which stated that the proceeds from SBA PPP loans could be accounted for as either debt or a government grant. Management elected to account for this unique lending vehicle as a government grant.

Notes to Financial Statements--Continued

**Edge Outreach, Inc.
d/b/a Waterstep, Inc.**

December 31, 2020 and 2019

Note L--Contingencies

In March 2020, the World Health Organization declared the spread of Coronavirus Disease ("COVID-19") a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its operations and financial results. In addition, both domestic and international equity markets have experienced significant fluctuations. We believe we are taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown, cannot be reasonably estimated, and is still developing

Note M--Subsequent Event

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Organization through June 1, 2021, the date the financial statements were available to be issued, and concluded that the following subsequent event have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.