

Financial Statements

2021

Edge Outreach, Inc.
d/b/a Waterstep

December 31, 2021 and 2020



Financial Statements

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

December 31, 2021 and 2020

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Independent Auditors' Report

Board of Directors
Edge Outreach, Inc.
Louisville, Kentucky

Opinion

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, 2021 and 2020 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Strothman and Company

Louisville, Kentucky
June 20, 2022

Statements of Financial Position

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

	December 31	
	2021	2020
Assets		
Current Assets		
Cash	\$ 196,524	\$ 172,993
Restricted cash	216,577	48,522
Accounts receivable	74,541	1,719
Employee Retention Credit receivable	41,382	
Inventories	207,416	208,136
Prepaid expenses	14,823	9,382
	<u>751,263</u>	<u>440,752</u>
Total Current Assets	751,263	440,752
Property and Equipment , net of accumulated depreciation	926,358	1,038,469
Other Intangible Assets , net of accumulated amortization of \$1,089 (2021) and \$1,180 (2020)	16,251	17,340
	<u>16,251</u>	<u>17,340</u>
Total Assets	<u>\$ 1,693,872</u>	<u>\$ 1,496,561</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 16,903	\$ 18,640
Current maturities of long-term debt	15,726	15,087
	<u>32,629</u>	<u>33,727</u>
Total Current Liabilities	32,629	33,727
Long-Term Debt , less current maturities	260,894	276,613
	<u>260,894</u>	<u>276,613</u>
Total Liabilities	293,523	310,340
Net Assets		
Without donor restriction	1,183,772	1,137,699
With donor restriction	216,577	48,522
	<u>1,400,349</u>	<u>1,186,221</u>
Total Net Assets	1,400,349	1,186,221
Total Liabilities and Net Assets	<u>\$ 1,693,872</u>	<u>\$ 1,496,561</u>

See Notes to Financial Statements

Statements of Activities

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

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	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	\$ 112,180		\$ 112,180	\$ 127,435		\$ 127,435
Shoe program	112,367		112,367	124,236		124,236
Safe water training				600		600
Support						
Contributions	725,734	\$ 294,235	1,019,969	600,002	\$ 87,400	687,402
In-kind contributions	128,085		128,085	65,285		65,285
Grants		15,000	15,000	25,000	90,250	115,250
Fundraising events	\$ 92,208					
Less direct fundraising expenses	<u>19,657</u>			<u>7,389</u>		
	72,551		72,551	32,679		32,679
Rental income	25,800		25,800	25,800		25,800
Miscellaneous income	<u>702</u>		<u>702</u>	<u>1,489</u>		<u>1,489</u>
	1,177,419	309,235	1,486,654	1,002,526	177,650	1,180,176
Net Assets Released from Restrictions	<u>141,180</u>	<u>(141,180)</u>		<u>166,548</u>	<u>(166,548)</u>	
Total Revenues and Support	1,318,599	168,055	1,486,654	1,169,074	11,102	1,180,176
Expenses						
Program Services	1,024,988		1,024,988	893,972		893,972
General and administrative	126,061		126,061	127,413		127,413
Fundraising	<u>165,088</u>		<u>165,088</u>	<u>197,343</u>		<u>197,343</u>
Total Expenses	1,316,137		1,316,137	1,218,728		1,218,728
Other Income						
Employee Retention Credit income	41,382		41,382			
Forgiveness of Paycheck Protection Program loan				92,500		92,500
Interest income	<u>2,229</u>		<u>2,229</u>			
Changes in Net Assets	46,073	168,055	214,128	42,846	11,102	53,948
Net Assets at Beginning of Year	<u>1,137,699</u>	<u>48,522</u>	<u>1,186,221</u>	<u>1,094,853</u>	<u>37,420</u>	<u>1,132,273</u>
Net Assets at End of Year	<u>\$ 1,183,772</u>	<u>\$ 216,577</u>	<u>\$ 1,400,349</u>	<u>\$ 1,137,699</u>	<u>\$ 48,522</u>	<u>\$ 1,186,221</u>

See Notes to Financial Statements

Statement of Functional Expenses

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

Year Ended December 31, 2021

	Program Activities				Supporting Activities			Total Expenses
	Safe Water	Disaster Relief	Shoe Program	Program Subtotal	General and Administrative	Fundraising	Supporting Subtotal	
Salaries	\$ 167,994	\$ 36,947	\$ 81,304	\$ 286,245	\$ 62,936	\$ 96,844	\$ 159,780	\$ 446,025
Payroll taxes	9,610	2,598	5,908	18,116	4,774	6,759	11,533	29,649
Employee benefits	16,936	5,435	10,069	32,440	4,223	8,780	13,003	45,443
Total Salary and Related Expenses	194,540	44,980	97,281	336,801	71,933	112,383	184,316	521,117
Safe water supplies	87,150	4,455		91,605				91,605
Safe water products	267,344	39,820		307,164				307,164
Professional fees	3,245	1,082	1,082	5,409	14,307	2,006	16,313	21,722
Travel	1,510	200	570	2,280				2,280
Supplies			6,100	6,100		4,940	4,940	11,040
Printing and advertising	14,245	4,748	4,823	23,816		9,077	9,077	32,893
Meals	1,886	629	1,045	3,560	3,142	3,143	6,285	9,845
Postage and shipping	775	258	758	1,791	1,292	1,291	2,583	4,374
Direct mail solicitation						5,872	5,872	5,872
Insurance	7,634	2,545	2,545	12,724	3,773	653	4,426	17,150
Utilities	15,095	5,032	5,032	25,159	529	794	1,323	26,482
Equipment	2,892	964	964	4,820	101	152	253	5,073
Service contracts	9,325	3,108	3,108	15,541	328	491	819	16,360
Auto expense	505	168	9,884	10,557	842	842	1,684	12,241
Banking and finance fees	2,784	928	928	4,640	7,574		7,574	12,214
Repairs and maintenance	1,571	524	524	2,619	55	83	138	2,757
Interest expense	6,985	2,328	2,328	11,641	245	368	613	12,254
Information technology	21,684	7,228	7,228	36,140	4,518	4,517	9,035	45,175
Office expense	5,428	1,809	1,809	9,046	9,125	9,046	18,171	27,217
Telephone expense	1,366	455	455	2,276	2,277	2,276	4,553	6,829
Depreciation	64,524	21,508	21,508	107,540	1,175	3,396	4,571	112,111
Amortization					1,089		1,089	1,089
Membership dues	2,255	752	752	3,759	3,756	3,758	7,514	11,273
	<u>\$ 712,743</u>	<u>\$ 143,521</u>	<u>\$ 168,724</u>	<u>\$ 1,024,988</u>	<u>\$ 126,061</u>	<u>\$ 165,088</u>	<u>\$ 291,149</u>	<u>\$ 1,316,137</u>

See Notes to Financial Statements

Statement 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	Program 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
	<u>\$ 568,407</u>	<u>\$ 123,677</u>	<u>\$ 201,888</u>	<u>\$ 893,972</u>	<u>\$ 127,413</u>	<u>\$ 197,343</u>	<u>\$ 324,756</u>	<u>\$ 1,218,728</u>

See Notes to Financial Statements

Statements of Cash Flows

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

	Year Ended December 31	
	2021	2020
Cash Flows From Operating Activities		
Changes in net assets	\$ 214,128	\$ 53,948
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	112,111	102,709
Amortization	1,089	1,089
Loss on disposal of equipment		3,956
Forgiveness of Paycheck Protection Program loan		(92,500)
Changes in operating assets and liabilities		
Accounts receivable	(72,822)	(1,719)
Employee Retention Credit receivable	(41,382)	
Inventory	720	(40,136)
Prepaid expenses	(5,441)	(1,932)
Accounts payable	(1,737)	(21,258)
Unearned rent		(11,301)
Net Cash Provided By (Used In) Operating Activities	206,666	(7,144)
Cash Flows From Investing Activities		
Purchases of property and equipment		(86,152)
Proceeds from disposal of property and equipment		11,357
Net Cash Used In Investing Activities		(74,795)
Cash Flows From Financing Activities		
Net borrowings (payments) on long-term debt	(15,080)	282,130
Payments on line of credit		(251,181)
Proceeds from Paycheck Protection Program loan		92,500
Net Cash (Used In) Provided By Financing Activities	(15,080)	123,449
Net Increase in Cash	191,586	41,510
Cash Beginning of Year	221,515	180,005
Cash at End of Year	\$ 413,101	\$ 221,515
Cash	\$ 196,524	\$ 172,993
Restricted cash	216,577	48,522
Cash at End of Year	\$ 413,101	\$ 221,515
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 12,254	\$ 12,863

See Notes to Financial Statements

Notes to Financial Statements

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

December 31, 2021 and 2020

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.

Program Service Revenues and Accounts Receivable--The Organization sells water chlorination and sanitation devices and related materials. Items are recognized as revenue when shipped and the Organization records these amounts as receivables. The Organization does not anticipate any issues with collectability of accounts receivable, therefore an allowance for doubtful accounts was not considered necessary at December 31, 2021 or 2020.

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, 2021 or 2020.

Continued

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

December 31, 2021 and 2020

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

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 estimated useful life at 17 years. Amortization expense was \$1,089 for the years ended December 31, 2021 and 2020.

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 2021 or 2020.

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, 2021 and 2020. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Continued

Notes to Financial Statements--Continued

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

December 31, 2021 and 2020

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

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, 2021 and 2020, 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.

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 \$32,893 and \$35,058 for the years ended December 31, 2021 and 2020, respectively.

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.

Note C--Employee Retention Credits

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") established a refundable payroll tax credit for retaining employees and continuing to pay compensation to them. The credit is also known as the employee retention credit. The 2021 Consolidation Appropriations Act introduced changes to the employee retention credit to allow companies who applied for, and received, Paycheck Protection Program ("PPP") loan proceeds to apply for employee retention credits for wages not paid with PPP funds. The Organization has applied for \$41,382 of employee retention credits. The credit was received in May 2022, therefore the balance is included in on the statements of financial position as receivable for the year ended December 31, 2021.

Notes to Financial Statements--Continued

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

December 31, 2021 and 2020

Note D--Inventories

Inventories consist of the following:

	Year Ended December 31	
	2021	2020
Raw materials	\$ 118,607	\$ 122,413
Finished goods	88,809	85,723
	<u>\$ 207,416</u>	<u>\$ 208,136</u>

Note E--Property and Equipment

Property and equipment consists of the following:

	December 31	
	2021	2020
Land	\$ 40,320	\$ 40,320
Building	1,043,488	1,043,488
Furniture, fixtures, and equipment	380,676	380,676
Vehicles	42,802	42,802
	<u>1,507,286</u>	<u>1,507,286</u>
Less accumulated depreciation	<u>580,928</u>	<u>468,817</u>
	<u>\$ 926,358</u>	<u>\$ 1,038,469</u>

Note F--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 2023. 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% at December 31, 2021 and 2020. The line of credit is collateralized by the Organization's building. There were no outstanding borrowings on the line of credit as of December 31, 2021 and 2020.

Notes to Financial Statements--Continued

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

December 31, 2021 and 2020

Note G--Long-Term Debt

Long-term debt consists of the following:

	December 31	
	2021	2020
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	\$ 276,620	\$ 291,700
Less current maturities	<u>15,726</u>	<u>15,087</u>
	<u>\$ 260,894</u>	<u>\$ 276,613</u>

Future minimum payments are as follows:

<u>Year Ending December 31</u>	
2022	\$ 15,726
2023	16,392
2024	17,059
2025	17,810
2026	18,564
Thereafter	<u>191,069</u>
	<u>\$ 276,620</u>

Notes to Financial Statements--Continued

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

December 31, 2021 and 2020

Note H--Net Assets with Donor Restrictions

Net assets with donor restrictions of \$216,577 and \$48,522 at December 31, 2021 and 2020, respectively, are restricted for specified purposes as follows:

	December 31	
	2021	2020
Restricted for Specified Purposes:		
Disaster relief	\$ 112,811	\$ 33,260
Mission projects	62,841	12,801
WOW carts	40,000	
Miscellaneous	925	2,461
	<u>\$ 216,577</u>	<u>\$ 48,522</u>

Note I--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	
	2021	2020
Cash	\$ 196,524	\$ 172,993
Restricted cash	216,577	48,522
Accounts receivable, to be collected in less than one year	<u>74,541</u>	<u>1,719</u>
Total Financial Assets, Excluding Noncurrent Receivables	487,642	223,234
Less those unavailable for general expenditure within one year, due to:		
Donor restricted for mission projects	<u>(13,000)</u>	<u>(48,522)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 474,642</u>	<u>\$ 174,712</u>

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

December 31, 2021 and 2020

Note J--Retirement Plan

The Organization has a Simplified Employee Pension ("SEP") Individual Retirement Account covering all full-time employees. The Organization can provide discretionary contributions each year to the individual retirement account or individual retirement annuity ("IRA"). No employer contributions were incurred for the year ended December 31, 2021. Employer contributions of \$14,177 were incurred for the year ended December 31, 2020.

Note K--In-Kind Contributions

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

	December 31	
	2021	2020
Manufacturing labor	\$ 46,000	\$ 50,000
Manufacturing supplies	8,085	15,285
Shipping	74,000	
	<u>\$ 128,085</u>	<u>\$ 65,285</u>

Note L--Paycheck Protection Program

In April 2020, the Organization obtained a U.S Small Business Administration ("SBA") Paycheck Protection Program loan ("PPP") of \$92,500. The PPP loan, because it was used for certain expenses (payroll, retirement contributions, health insurance costs, rent and utilities), was forgiven in December 2020.

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, 2021 and 2020

Note M--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 N--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 20, 2022, 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.