

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Financial Position
December 31, 2016 And 2015

ASSETS

	2016		
<u>Current Assets</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Cash	\$ 114,297	\$ 33,204	\$ 147,501
Program receivable	51,787	0	51,787
Grant receivable	0	0	0
Prepaid expense	4,649	0	4,649
Total Current Assets	170,733	33,204	203,937
<u>Net Property, Plant and Equipment</u>			
Office furniture and equipment	124,054	0	124,054
Tenant furniture and equipment	202,186	0	202,186
Land improvements	2,619,322	0	2,619,322
Building	6,675,813	0	6,675,813
	9,621,375	0	9,621,375
Less: Accumulated depreciation	(4,139,563)	0	(4,139,563)
Total Property, Plant and Equipment, Net	5,481,812	0	5,481,812
Total Assets	\$ 5,652,545	\$ 33,204	\$ 5,685,749

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>			
Accounts payable	\$ 71,258	\$ 0	\$ 71,258
Accrued expenses	2,386	0	2,386
Total Current Liabilities	73,644	0	73,644
Total Liabilities	73,644	0	73,644
<u>Net Assets</u>			
Unrestricted	5,578,901	0	5,578,901
Temporarily restricted	0	33,204	33,204
Total Net Assets	5,578,901	33,204	5,612,105
Total Liabilities and Net Assets	\$ 5,652,545	\$ 33,204	\$ 5,685,749

The Accompanying Notes Are An
Integral Part Of These Financial Statements

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Statements Of Financial Position
December 31, 2016 And 2015

ASSETS

	<u>2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Current Assets</u>			
Cash	\$ 7,421	\$ 0	\$ 7,421
Program receivable	253	0	253
Grant receivable	87,375	33,204	120,579
Prepaid expense	<u>4,316</u>	<u>0</u>	<u>4,316</u>
Total Current Assets	<u>99,365</u>	<u>33,204</u>	<u>132,569</u>
<u>Net Property, Plant and Equipment</u>			
Office furniture and equipment	123,055	0	123,055
Equipment	202,186	0	202,186
Land improvements	2,619,322	0	2,619,322
Building	<u>6,675,813</u>	<u>0</u>	<u>6,675,813</u>
	9,620,376	0	9,620,376
Less: Accumulated depreciation	<u>(3,789,244)</u>	<u>0</u>	<u>(3,789,244)</u>
Total Property, Plant and Equipment, Net	<u>5,831,132</u>	<u>0</u>	<u>5,831,132</u>
Total Assets	<u>\$ 5,930,497</u>	<u>\$ 33,204</u>	<u>\$ 5,963,701</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>			
Accounts payable	\$ 19,096	\$ 0	\$ 19,096
Accrued expenses	<u>1,492</u>	<u>0</u>	<u>1,492</u>
Total Current Liabilities	<u>20,588</u>	<u>0</u>	<u>20,588</u>
Total Liabilities	<u>20,588</u>	<u>0</u>	<u>20,588</u>
<u>Net Assets</u>			
Unrestricted	5,909,909	0	5,909,909
Temporarily restricted	<u>0</u>	<u>33,204</u>	<u>33,204</u>
Total Net Assets	<u>5,909,909</u>	<u>33,204</u>	<u>5,943,113</u>
Total Liabilities and Net Assets	<u>\$ 5,930,497</u>	<u>\$ 33,204</u>	<u>\$ 5,963,701</u>

The Accompanying Notes Are An
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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Activities
For The Years Ended December 31, 2016 And 2015

	<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>			
Grants and agreements	\$ 148,862	\$ 0	\$ 148,862
Program revenue	195,923	0	195,923
Direct public support	0	0	0
Interest income	161	0	161
Miscellaneous income	2,332	0	2,332
Net assets released from restrictions:			
Satisfaction of payments	<u>0</u>	<u>0</u>	<u>0</u>
Total Support And Revenue	<u>347,278</u>	<u>0</u>	<u>347,278</u>
<u>Functional Expenses</u>			
Program services	460,697	0	460,697
Supporting services	217,589	0	217,589
Professional fund raising	<u>0</u>	<u>0</u>	<u>0</u>
Total Functional Expenses	<u>678,286</u>	<u>0</u>	<u>678,286</u>
Increase (Decrease) In Net Assets	(331,008)	0	(331,008)
Net Assets – Beginning	<u>5,909,909</u>	<u>33,204</u>	<u>5,943,113</u>
Net Assets – Ending	<u>\$ 5,578,901</u>	<u>\$ 33,204</u>	<u>\$ 5,612,105</u>

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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Activities
For The Years Ended December 31, 2016 And 2015

	<u>2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>			
Grants and agreements	\$ 140,579	\$ 0	\$ 140,579
Program revenue	170,893	0	170,893
Direct public support	10,000	0	10,000
Interest income	6	0	6
Miscellaneous income	1,023	0	1,023
Net assets released from restrictions:			
Satisfaction of payments	<u>0</u>	<u>0</u>	<u>0</u>
Total Support And Revenue	<u>322,501</u>	<u>0</u>	<u>322,501</u>
<u>Functional Expenses</u>			
Program services	411,061	0	411,061
Supporting services	200,380	0	200,380
Professional fund raising	<u>0</u>	<u>0</u>	<u>0</u>
Total Functional Expenses	<u>611,441</u>	<u>0</u>	<u>611,441</u>
Increase (Decrease) In Net Assets	(288,940)	0	(288,940)
Net Assets – Beginning	6,198,849	33,204	6,232,053
Net Assets – Ending	\$ <u>5,909,909</u>	\$ <u>33,204</u>	\$ <u>5,943,113</u>

**The Accompanying Notes Are An
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Exhibit "C"

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Cash Flows
For The Years Ended December 31, 2016 And 2015

	<u>2016</u>	<u>2015</u>
<u>Cash Flows From Operating Activities</u>		
Decrease in net assets	\$ (331,008)	\$ (288,940)
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:		
Depreciation	350,319	349,936
Change In Operating Assets And Liabilities:		
(Increase) Decrease in program receivable	(51,534)	28,578
(Increase) Decrease in grant receivable	120,579	(99,777)
(Increase) Decrease in prepaid expenses	(333)	(519)
Increase (Decrease) in accounts payable	52,162	(11,056)
Increase (Decrease) in accrued expenses	<u>894</u>	<u>3</u>
Net Cash (Used) Provided By Operating Activities	<u>141,079</u>	<u>(21,775)</u>
<u>Cash Flows From Investing Activities</u>		
Purchases of property, plant and equipment	<u>(999)</u>	<u>(6,157)</u>
Net Cash Used By Investing Activities	<u>(999)</u>	<u>(6,157)</u>
<u>Cash Flows From Financing Activities</u>		
Net Cash Provided By Financing Activities	<u>0</u>	<u>0</u>
Net (Decrease) Increase in Cash	140,080	(27,932)
Beginning – Cash	<u>7,421</u>	<u>35,353</u>
Ending – Cash	\$ <u>147,501</u>	\$ <u>7,421</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
In-kind services donated	\$ <u>10,000</u>	\$ <u>10,000</u>

The Accompanying Notes Are An
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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Notes To Financial Statements
For The Years Ended December 31, 2016 And 2015

NOTE 1 NATURE OF THE ORGANIZATION

Cornell Agriculture and Food Technology Park Corporation (CAFTP) is a not-for-profit agency organized under section 501(c)(3) of the Internal Revenue Code. It qualifies for the charitable contribution deductions for individual donors. The Organization was formed in 2000.

The CAFTP's mission is to foster creation, retention and expansion of agriculture, food and related research and development enterprises to benefit the New York economy, and to strengthen the Geneva Experiment Station by fostering technology transfers and partnerships with commercial firms.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

Basis of Presentation

The Organization adheres to Statement of Financial Accounting Standards FASB ASC 958, "Financial Statements of Not-for-Profit Organization." Under FASB ASC 958-005, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the Organization is required to present a statement of cash flows. Net assets of the Organization were classified as unrestricted or temporarily restricted as of December 31, 2016. The Organization had no permanently restricted net assets as of December 31, 2016 and 2015.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 10, 2017, the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Donated land, building, and equipment are reflected as contributions at their appraised values on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

**The Accompanying Independent Auditors Report Is
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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Notes To Financial Statements
For The Years Ended December 31, 2016 And 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (continued)

Estimated useful lives of the assets are as follows:

Office furniture and equipment	5 - 7 years
Land improvements	15 years
Buildings	39 years

Depreciation expense amounted to \$350,319 and \$349,936 for the years ended December 31, 2016 and 2015, respectively.

Income Taxes

CAFTP is a not-for-profit organization and therefore is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified by the Internal Revenue Service as an entity that is not a private Foundation.

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for Uncertainty In Income Taxes – an Interpretation of FASB Statement No., 109*, Codification (ASC) Section 740. This interpretation addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax-exempt status. ASC Section 740 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition. The Organization adopted the provisions of ASC Section 740 on January 1, 2010.

The Organization believes it has no uncertain tax position and has not recognized any benefits from uncertain tax positions that will significantly increase or decrease in twelve months after the balance sheet date. The Organization has not been subject to federal or state income tax examinations by tax authorities. The Organization's open tax periods are generally three years after filing of the tax information forms.

NOTE 3 CASH

Unsecured Cash Balances

The Organization maintains its cash at two financial institutions in New York. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per customer. The Organization had no uninsured cash balances at December 31, 2016 and 2015, respectively.

**The Accompanying Independent Auditors Report Is
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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Notes To Financial Statements
For The Years Ended December 31, 2016 And 2015

NOTE 3 CASH (continued)

Restricted Cash Balance

The Organization received a "member item" from New York from the 2006 expenditures. The funds were received by Ontario County during 2010 and forwarded to the Organization. The "member item" funds are restricted for capital expenditures.

NOTE 4 GRANT RECEIVABLE

The Organization received a three year reimbursable grant for \$375,000 from Empire State Development for the Incubator Program commencing April 1, 2015 and ending March 31, 2017. Documentation for reimbursement for the period April 1, 2015 through March 31, 2016 has been submitted for \$120,579 to Empire State Development. Payment was received in March 2016.

NOTE 5 LEASE COMMITMENTS

The Organization entered into an operating lease for a copier in April 2011. The lease agreement provides for monthly payments of \$153 over 60 months. Lease expense amounted to \$1,050 and \$1,830 for the years ended December 31, 2016 and 2015, respectively. The lease expired in June 2016.

The Organization entered into an operating lease for a copier in July 2016. The lease agreement provides for monthly payments of \$104 over 48 months. Lease expense amounted to \$833.

Future minimum lease payments for five years are as follows:

2017	\$ 1,248
2018	1,248
2019	1,248
2020 and thereafter	<u>423</u>
Total Future Minimum Lease Payments	\$ <u>4,167</u>

NOTE 6 TEMPORARILY RESTRICTED ASSETS

Restrictions on net assets are composed of funds required to be used for capital expenditures. Temporarily restricted net assets total \$33,204 for the years ended December 31, 2016 and 2015, respectively.

**The Accompanying Independent Auditors Report Is
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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Notes To Financial Statements
For The Years Ended December 31, 2016 And 2015

NOTE 7 MAJOR REPAIRS AND MAINTENANCE

The Organization has not set aside funds for major repairs and maintenance to its capital property, plant and equipment.

The Organization has an agreement with Cornell University whereby the University provides in-kind services to the Organization for general repairs and maintenance, mowing, and snowplowing. For the years ended December 31, 2016 and 2015, the estimated value of these services was \$10,000 and is included in the Organization's statement of activities.

The Board has set aside the amount received in the prior year for arbitration settlement to be used for future roof repairs. The funds are included in temporarily restricted net assets of the Statements of Financial Position.

NOTE 8 RETIREMENT

The Organization has a 401(k) Retirement Plan in place for all eligible employees. The Organization matches up to 3% of eligible salary for all eligible employees.

Contributions amounted to \$0 for the years ended December 31, 2016 and 2015.

**The Accompanying Independent Auditors Report Is
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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Functional Expenses
For The Years Ended December 31, 2016 And 2015

2016

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund Raising</u>	<u>Total</u>
Advertising and marketing	\$ 3,271	\$ 67	\$ 0	\$ 3,338
Bad debt	955	0	0	955
Bank charges	68	4	0	72
Dues and subscriptions	807	90	0	897
Fees	977	384	0	1,361
Insurance	10,703	4,712	0	15,415
Maintenance	64,949	7,217	0	72,166
Meetings and conferences	3,221	0	0	3,221
Office expense	1,479	493	0	1,972
Payroll	90,401	15,953	0	106,354
Payroll taxes and benefits	6,858	1,210	0	8,068
Postage	108	46	0	154
Professional fees	25,957	22,422	0	48,379
Telephone	3,927	1,309	0	5,236
Utilities	<u>54,341</u>	<u>6,038</u>	<u>0</u>	<u>60,379</u>
Total Expenses Before Other Expenses	<u>268,022</u>	<u>59,945</u>	<u>0</u>	<u>327,967</u>
<u>Other Expenses</u>				
Depreciation expense	<u>192,675</u>	<u>157,644</u>	<u>0</u>	<u>350,319</u>
Total Other Expenses	<u>192,675</u>	<u>157,644</u>	<u>0</u>	<u>350,319</u>
Total Functional Expenses	<u>\$ 460,697</u>	<u>\$ 217,589</u>	<u>\$ 0</u>	<u>\$ 678,286</u>
Percentage of Total Functional Expenses	<u>67.92 %</u>	<u>32.08 %</u>	<u>0 %</u>	<u>100 %</u>

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Schedule "I"

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Functional Expenses
For The Years Ended December 31, 2016 And 2015

2015

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund Raising</u>	<u>Total</u>
Advertising and marketing	\$ 5,418	\$ 111	\$ 0	\$ 5,529
Bad debt	13,442	0	0	13,442
Bank charges	510	27	0	537
Dues and subscriptions	1,112	124	0	1,236
Fees	2,731	578	0	3,309
Insurance	10,826	4,765	0	15,591
Maintenance	37,577	4,175	0	41,752
Meetings and conferences	1,377	0	0	1,377
Office expense	2,591	864	0	3,455
Payroll	83,206	14,683	0	97,889
Payroll taxes and benefits	6,365	1,123	0	7,488
Postage	55	24	0	79
Professional fees	1,336	9,393	0	10,729
Telephone	5,669	1,889	0	7,558
Utilities	<u>46,381</u>	<u>5,153</u>	<u>0</u>	<u>51,534</u>
Total Expenses Before Other Expenses	<u>218,596</u>	<u>42,909</u>	<u>0</u>	<u>261,505</u>
<u>Other Expenses</u>				
Depreciation expense	<u>192,465</u>	<u>157,471</u>	<u>0</u>	<u>349,936</u>
Total Other Expenses	<u>192,465</u>	<u>157,471</u>	<u>0</u>	<u>349,936</u>
Total Functional Expenses	<u>\$ 411,061</u>	<u>\$ 200,380</u>	<u>\$ 0</u>	<u>\$ 611,441</u>
Percentage of Total Functional Expenses	<u>67.23%</u>	<u>32.77%</u>	<u>0%</u>	<u>100%</u>

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