

**CORNELL AGRICULTURE AND FOOD
TECHNOLOGY PARK CORPORATION**

Financial Statements

December 31, 2017 and 2016

**CORNELL AGRICULTURE AND FOOD
TECHNOLOGY PARK CORPORATION**

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Cornell Agriculture and Food Technology Park Corporation

We have audited the accompanying financial statements of Cornell Agriculture and Food Technology Park Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cornell Agriculture and Food Technology Park Corporation as of December 31, 2017 and 2016, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses at Schedule I is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Petrella Phillips LLP
Certified Public Accountants

Geneva, New York
March 15, 2018

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements of Financial Position
December 31, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
Cash	\$ 77,669	\$ 114,297
Restricted cash	0	33,204
Program receivable	42,894	51,787
Prepaid expense	<u>5,707</u>	<u>4,649</u>
Total Current Assets	<u>126,270</u>	<u>203,937</u>
<u>Net Property and Equipment</u>		
Office furniture and equipment	133,073	124,054
Equipment	202,186	202,186
Land improvements	2,619,322	2,619,322
Building	<u>6,737,794</u>	<u>6,675,813</u>
	9,692,375	9,621,375
Less: Accumulated depreciation	<u>(4,490,759)</u>	<u>(4,139,563)</u>
Total Property and Equipment, Net	<u>5,201,616</u>	<u>5,481,812</u>
Total Assets	<u>\$ 5,327,886</u>	<u>\$ 5,685,749</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 16,867	\$ 71,258
Accrued expenses	2,386	2,386
Deferred revenue	<u>2,475</u>	<u>0</u>
Total Current Liabilities	<u>21,728</u>	<u>73,644</u>
Total Liabilities	<u>21,728</u>	<u>73,644</u>
<u>Net Assets</u>		
Unrestricted	5,306,158	5,578,901
Temporarily restricted	<u>0</u>	<u>33,204</u>
Total Net Assets	<u>5,306,158</u>	<u>5,612,105</u>
Total Liabilities and Net Assets	<u>\$ 5,327,886</u>	<u>\$ 5,685,749</u>

The Accompanying Notes are an Integral Part of these Financial Statements
See Independent Auditors' Report

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements of Activities
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>			
Grants and agreements	\$ 134,693	\$ 0	\$ 134,693
Program revenue	111,957	0	111,957
Direct public support	84,527	0	84,527
In-kind public support	14,500	0	14,500
Interest income	149	0	149
Miscellaneous income	883	0	883
Net assets released from restrictions:			
Satisfaction of payments	<u>33,204</u>	<u>(33,204)</u>	<u>0</u>
Total Support and Revenue	<u>379,913</u>	<u>(33,204)</u>	<u>346,709</u>
<u>Functional Expenses</u>			
Program services	446,700	0	446,700
Supporting services	205,956	0	205,956
Professional fund raising	<u>0</u>	<u>0</u>	<u>0</u>
Total Functional Expenses	<u>652,656</u>	<u>0</u>	<u>652,656</u>
Decrease in Net Assets	(272,743)	(33,204)	(305,947)
Net Assets – Beginning	<u>5,578,901</u>	<u>33,204</u>	<u>5,612,105</u>
Net Assets – Ending	<u>\$ 5,306,158</u>	<u>\$ 0</u>	<u>\$ 5,306,158</u>

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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements of Activities
For the Years Ended December 31, 2017 and 2016

	<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	185,923	0	185,923
Direct public support	0	0	0
In-kind public support	10,000	0	10,000
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>
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>

The Accompanying Notes are an Integral Part of these Financial Statements
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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Cash Flows from Operating Activities</u>		
Decrease in net assets	\$ (305,947)	\$ (331,008)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	353,177	350,319
Change In Operating Assets And Liabilities:		
(Increase) Decrease in program receivable	8,893	(51,534)
(Increase) Decrease in grant receivable	0	120,579
(Increase) Decrease in prepaid expenses	(1,058)	(333)
Increase (Decrease) in accounts payable	(54,391)	52,162
Increase (Decrease) in accrued expenses	0	894
Increase (Decrease) in deferred revenue	<u>2,475</u>	<u>0</u>
Net Cash Provided by Operating Activities	<u>3,149</u>	<u>141,079</u>
<u>Cash Flows from Investing Activities</u>		
Purchases of property and equipment	(72,981)	<u>(999)</u>
Net Cash Used by Investing Activities	(72,981)	<u>(999)</u>
<u>Cash Flows from Financing Activities</u>		
Proceeds from line of credit	10,000	0
Payment on line of credit	(10,000)	<u>0</u>
Net Cash Provided by Financing Activities	<u>0</u>	<u>0</u>
Net (Decrease) Increase in Cash	(69,832)	140,080
Beginning – Cash	<u>147,501</u>	<u>7,421</u>
Ending – Cash	\$ <u>77,669</u>	\$ <u>147,501</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid for interest	\$ <u>38</u>	\$ <u>0</u>

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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016

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. The Organization was formed in 2000 and qualifies for the charitable contribution deductions for individual donors.

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting periods. 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. The Organization has a policy to capitalize purchases greater than \$1,000.

Estimated useful lives of the assets are as follows:

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

Depreciation expense amounted to \$353,177 and \$350,319 for the years ended December 31, 2017 and 2016, respectively.

The Accompanying Notes are an Integral Part of these Financial Statements
See Independent Auditors' Report

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 and its open tax periods for examination from various taxing authorities are from 2014, 2015 and 2016.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 15, 2018, the date the financial statements were available to be issued.

NOTE 3 CASH

Uninsured 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, 2017 and 2016, respectively.

Restricted Cash Balance

The Organization received funds restricted for capital expenditures from New York related to 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. The funds were fully expended in 2017 by the purchase of capital improvements to the building.

NOTE 4 DEFERRED REVENUE

Deferred revenue consists of prepaid rent from tenants. Deferred revenue totaled \$2,475 and \$0 for the years ended December 31, 2017 and 2016, respectively.

The Accompanying Notes are an Integral Part of these Financial Statements
See Independent Auditors' Report

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016

NOTE 5 SERVICED DONATED IN-KIND

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, 2017 and 2016, the estimated value of these services was \$14,500 and \$10,000 and is included in the Organization's statement of activities.

NOTE 6 RETIREMENT PLAN

The Organization has a 401(k) Retirement Plan in place for all eligible employees. The Organization matches up to 3% of employees retirement contribution based on employees eligible salary for all eligible employees. Contributions amounted to \$0 for the years ended December 31, 2017 and 2016.

The Accompanying Notes are an Integral Part of these Financial Statements
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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Schedules of Functional Expenses
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>		
	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	<u>Total</u>
Advertising and marketing	\$ 1,250	\$ 26	\$ 1,276
Bad debt	0	0	0
Bank charges	103	5	108
Dues and subscriptions	670	75	745
Fees	116	288	404
Insurance	11,412	5,016	16,428
Maintenance	66,850	7,428	74,278
Meetings and conferences	445	0	445
Office expense	1,728	576	2,304
Payroll	93,296	16,464	109,760
Payroll taxes	7,598	1,341	8,939
Postage	62	26	88
Professional fees	8,746	8,870	17,616
Telephone	846	282	1,128
Utilities	<u>59,330</u>	<u>6,592</u>	<u>65,922</u>
Total Expenses Before Other Expenses	<u>252,452</u>	<u>46,989</u>	<u>299,441</u>
<u>Other Expenses</u>			
Depreciation expense	194,247	158,930	353,177
Interest expense	<u>0</u>	<u>38</u>	<u>38</u>
Total Other Expenses	<u>194,247</u>	<u>158,968</u>	<u>353,215</u>
Total Functional Expenses	\$ <u>446,700</u>	\$ <u>205,957</u>	\$ <u>652,656</u>
Percentage of Total Functional Expenses	<u>68.44%</u>	<u>31.56%</u>	<u>100%</u>

See Independent Auditors' Report

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Schedules of Functional Expenses
For the Years Ended December 31, 2017 and 2016

	<u>2016</u>		
	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Advertising and marketing	\$ 3,271	\$ 67	\$ 3,338
Bad debt	955	0	955
Bank charges	68	4	72
Dues and subscriptions	807	90	897
Fees	977	384	1,361
Insurance	10,703	4,712	15,415
Maintenance	64,949	7,217	72,166
Meetings and conferences	3,221	0	3,221
Office expense	1,479	493	1,972
Payroll	90,401	15,953	106,354
Payroll taxes	6,858	1,210	8,068
Postage	108	46	154
Professional fees	25,957	22,422	48,379
Telephone	3,927	1,309	5,236
Utilities	<u>54,341</u>	<u>6,038</u>	<u>60,379</u>
Total Expenses Before Other Expenses	<u>268,022</u>	<u>59,945</u>	<u>327,967</u>
<u>Other Expenses</u>			
Depreciation expense	192,675	157,644	350,319
Interest expense	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Expenses	<u>192,675</u>	<u>157,644</u>	<u>350,319</u>
Total Functional Expenses	<u>\$ 460,697</u>	<u>\$ 217,589</u>	<u>\$ 678,286</u>
Percentage of Total Functional Expenses	<u>67.92 %</u>	<u>32.08 %</u>	<u>100 %</u>

See Independent Auditors' Report