

**CORNELL AGRICULTURE AND FOOD
TECHNOLOGY PARK CORPORATION**

Financial Statements

December 31, 2015 And 2014

**CORNELL AGRICULTURE AND FOOD
TECHNOLOGY PARK CORPORATION**

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Accountants

INDEPENDENT AUDITOR'S 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 statement of financial position as of December 31, 2015 and 2014, 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 audit. We conducted our audit 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, 2015 and 2014, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of performing an opinion on the financial statements as a whole. The schedule 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 18, 2016

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Financial Position
December 31, 2015 And 2014

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
Integral Part Of These Financial Statements**

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Financial Position
December 31, 2015 And 2014

ASSETS

	<u>2014</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Current Assets</u>			
Cash	\$ 18,316	\$ 17,037	\$ 35,353
Program receivable	28,831	0	28,831
Grant receivable	0	20,802	20,802
Prepaid expense	<u>3,797</u>	<u>0</u>	<u>3,797</u>
Total Current Assets	<u>50,944</u>	<u>37,839</u>	<u>88,783</u>
<u>Net Property, Plant and Equipment</u>			
Office furniture and equipment	123,055	0	123,055
Tenant furniture and equipment	197,949	0	197,949
Land improvements	2,617,402	0	2,617,402
Building	<u>6,675,813</u>	<u>0</u>	<u>6,675,813</u>
	9,614,219	0	9,614,219
Less: Accumulated depreciation	<u>(3,439,308)</u>	<u>0</u>	<u>(3,439,308)</u>
Total Property, Plant and Equipment, Net	<u>6,174,911</u>	<u>0</u>	<u>6,174,911</u>
Total Assets	<u>\$ 6,225,855</u>	<u>\$ 37,839</u>	<u>\$ 6,263,694</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>			
Accounts payable	\$ 25,517	\$ 4,635	\$ 30,152
Accrued expenses	<u>1,489</u>	<u>0</u>	<u>1,489</u>
Total Current Liabilities	<u>27,006</u>	<u>4,635</u>	<u>31,641</u>
Total Liabilities	<u>27,006</u>	<u>4,635</u>	<u>31,641</u>
<u>Net Assets</u>			
Unrestricted	6,198,849	0	6,198,849
Temporarily restricted	<u>0</u>	<u>33,204</u>	<u>33,204</u>
Total Net Assets	<u>6,198,849</u>	<u>33,204</u>	<u>6,232,053</u>
Total Liabilities and Net Assets	<u>\$ 6,225,855</u>	<u>\$ 37,839</u>	<u>\$ 6,263,694</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, 2015 And 2014

	<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	<u>33,204</u>	<u>6,232,053</u>
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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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Activities
For The Years Ended December 31, 2015 And 2014

	<u>2014</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>			
Grants and agreements	\$ 20,000	\$ 444	\$ 20,444
Program revenue	185,570	0	185,570
Direct public support	10,000	0	10,000
Interest income	362	0	362
Miscellaneous income	9,952	0	9,952
Net assets released from restrictions:			
Satisfaction of payments	<u>126,114</u>	<u>(126,114)</u>	<u>0</u>
Total Support And Revenue	<u>351,998</u>	<u>(125,670)</u>	<u>226,328</u>
<u>Functional Expenses</u>			
Program services	477,378	0	477,378
Supporting services	240,163	0	240,163
Professional fund raising	<u>0</u>	<u>0</u>	<u>0</u>
Total Functional Expenses	<u>717,541</u>	<u>0</u>	<u>717,541</u>
Increase (Decrease) In Net Assets	(365,543)	(125,670)	(491,213)
Net Assets – Beginning	<u>6,564,392</u>	<u>158,874</u>	<u>6,723,266</u>
Net Assets – Ending	\$ <u>6,198,849</u>	\$ <u>33,204</u>	\$ <u>6,232,053</u>

**The Accompanying Notes Are An
Integral Part Of These Financial Statements**

Exhibit "C"

CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Cash Flows
For The Years Ended December 31, 2015 And 2014

	<u>2015</u>	<u>2014</u>
<u>Cash Flows From Operating Activities</u>		
Decrease in net assets	\$ (288,940)	\$ (491,213)
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:		
Depreciation and amortization	349,936	361,769
Change In Operating Assets And Liabilities:		
(Increase) Decrease in program receivable	28,578	(17,236)
(Increase) Decrease in grant receivable	(99,777)	46,794
(Increase) Decrease in prepaid expenses	(519)	(1,873)
Increase (Decrease) in accounts payable	(11,056)	(53,563)
Increase (Decrease) in accrued expenses	3	(3,092)
Increase (Decrease) in deferred revenue	<u>0</u>	<u>(15,777)</u>
Net Cash (Used) Provided By Operating Activities	<u>(21,775)</u>	<u>(174,191)</u>
<u>Cash Flows From Investing Activities</u>		
Purchases of property, plant and equipment	<u>(6,157)</u>	<u>0</u>
Net Cash Used By Investing Activities	<u>(6,157)</u>	<u>0</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	(27,932)	(174,191)
Beginning – Cash	<u>35,353</u>	<u>209,544</u>
Ending – Cash	\$ <u><u>7,421</u></u>	\$ <u><u>35,353</u></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, 2015 And 2014

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 State 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, 2015. The Organization had no permanently restricted net assets as of December 31, 2015 and 2014.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 18, 2016 (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, 2015 And 2014

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 \$349,936 and \$361,769 for the years ended December 31, 2015 and 2014, 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, 2015 and 2014, 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, 2015 And 2014

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, 2014 and ending March 31, 2017. Documentation for reimbursement for the period April 1, 2014 through March 31, 2015 has been submitted for \$120,579 to Empire State Development and is awaiting payment.

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. The lease expense amounted to \$1,830 for the years ended December 31, 2015 and 2014, respectively.

Future minimum lease payments for five years are as follows:

2016	\$ 610
Thereafter	<u> 0</u>
Total Future Minimum Lease Payments	\$ <u>610</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, 2015 and 2014, 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, 2015 And 2014

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, 2015 and 2014, 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. See Note 9 Contingency.

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 and \$1,355 for the years ended December 31, 2015 and 2014.

NOTE 9 CONTINGENCY

The Organization filed an arbitration during 2011 against Einhorn, Yaffee, Prescott Architecture & Engineering, PC (EYP) with respect to roofing issues on the building. During 2014, the parties engaged in settlement negotiations before an arbitrator. The parties reached a settlement in the amount of \$100,000 and the proceeds were included in the Statements of Activities. See Note 7 Major Repairs and Maintenance.

**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, 2015 And 2014

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
Miscellaneous	0	0	0	0
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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CORNELL AGRICULTURE AND FOOD TECHNOLOGY PARK CORPORATION
Statements Of Functional Expenses
For The Years Ended December 31, 2015 And 2014

2014

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund Raising</u>	<u>Total</u>
Advertising and marketing	\$ 11,523	\$ 606	\$ 0	\$ 12,129
Bad debt	0	0	0	0
Bank charges	0	0	0	0
Dues and subscriptions	1,810	201	0	2,011
Fees	0	335	0	335
Insurance	10,779	4,620	0	15,399
Maintenance	82,290	35,267	0	117,557
Meetings and conferences	2,607	0	0	2,607
Miscellaneous	0	453	0	453
Office expense	3,211	1,071	0	4,282
Payroll	93,085	16,426	0	109,511
Payroll taxes and benefits	9,667	1,706	0	11,373
Postage	44	19	0	63
Professional fees	4,021	9,488	0	13,509
Telephone	2,604	868	0	3,472
Utilities	<u>56,764</u>	<u>6,307</u>	<u>0</u>	<u>63,071</u>
Total Expenses Before Other Expenses	<u>278,405</u>	<u>77,367</u>	<u>0</u>	<u>355,772</u>
<u>Other Expenses</u>				
Depreciation expense	<u>198,973</u>	<u>162,796</u>	<u>0</u>	<u>361,769</u>
Total Other Expenses	<u>198,973</u>	<u>162,796</u>	<u>0</u>	<u>361,769</u>
Total Functional Expenses	<u>\$ 477,378</u>	<u>\$ 240,163</u>	<u>\$ 0</u>	<u>\$ 717,541</u>
Percentage of Total Functional Expenses	<u>66.53%</u>	<u>33.47%</u>	<u>0%</u>	<u>100%</u>

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