



C O R N U C O P I A
I N S T I T U T E
FINANCIAL STATEMENTS

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Cornucopia Institute, Inc.
Viroqua, Wisconsin

We have audited the accompanying financial statements of The Cornucopia Institute, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, the statement of functional expenses for the year ended December 31, 2020, 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.

Auditor's Responsibility

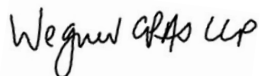
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Cornucopia Institute, 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.



Wegner CPAs, LLP
Madison, Wisconsin
July 31, 2021

THE CORNUCOPIA INSTITUTE, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 1,165,504	\$ 1,437,214
Promises to give	-	15,000
Accounts receivable	20,330	30,733
Prepaid expenses	2,293	3,006
Investments	7,263	5,542
Equipment, net	10	167
Total assets	\$ 1,195,400	\$ 1,491,662
LIABILITIES		
Accounts payable	\$ 25,707	\$ 25,674
Accrued payroll and taxes	21,917	31,091
Paycheck Protection Program loan	108,800	-
Total liabilities	156,424	56,765
NET ASSETS		
Without donor restrictions	1,038,976	1,419,897
With donor restrictions	-	15,000
Total net assets	1,038,976	1,434,897
Total liabilities and net assets	\$ 1,195,400	\$ 1,491,662

See accompanying notes.

THE CORNUCOPIA INSTITUTE, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Foundation and corporate contributions	\$ 163,850	\$ 159,722
Member and private contributions	263,958	405,188
In-kind contributions	-	4,085
Investment return, net	22,973	29,289
Other revenue	-	1,399
Total revenues	450,781	599,683
EXPENSES		
Program services		
Education	239,421	256,412
Research and analysis	239,421	256,412
Monitoring and reporting	55,890	69,425
Total program services	534,732	582,249
Management and general	245,426	211,853
Fundraising	66,544	82,305
Total expenses	846,702	876,407
Net assets released from restrictions	15,000	3,930
Change in net assets without donor restrictions	(380,921)	(272,794)
NET ASSETS WITH DONOR RESTRICTIONS		
Net assets released from restrictions	(15,000)	(3,930)
Change in net assets	(395,921)	(276,724)
Net assets at beginning of year	1,434,897	1,711,621
Net assets at end of year	\$ 1,038,976	\$ 1,434,897

See accompanying notes.

THE CORNUCOPIA INSTITUTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services				Supporting Activities		Total Expenses
	Education	Research and Analysis	Monitoring and Reporting	Total Program Services	Management and General	Fundraising	
Personnel	\$ 182,334	\$ 182,334	\$ 40,519	\$ 405,187	\$ 180,349	\$ 56,041	\$ 641,577
Printing and mailing house	9,400	9,400	2,089	20,889	579	1,741	23,209
Professional fees	-	-	2,687	2,687	44,395	-	47,082
Contract and labor management	14,521	14,521	3,227	32,269	-	-	32,269
Postage and delivery	7,081	7,081	1,574	15,736	1,247	1,360	18,343
Travel and entertainment	1,218	1,218	271	2,707	929	374	4,010
Telephone and internet	7,856	7,856	1,746	17,458	405	404	18,267
Licenses, permits, and fees	-	-	-	-	10,189	4,707	14,896
Information technology	12,866	12,866	2,859	28,591	1,790	970	31,351
Meetings and conferences	328	328	73	729	29	-	758
Miscellaneous expense	229	229	51	509	260	-	769
Database management	1,726	1,726	384	3,836	922	922	5,680
Rent	-	-	-	-	-	-	-
Insurance	-	-	-	-	3,163	-	3,163
Graphics and video	1,814	1,814	399	4,027	-	-	4,027
Supplies	-	-	-	-	1,144	-	1,144
Depreciation	48	48	11	107	25	25	157
Total expenses	\$ 239,421	\$ 239,421	\$ 55,890	\$ 534,732	\$ 245,426	\$ 66,544	\$ 846,702

See accompanying notes.

THE CORNUCOPIA INSTITUTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Services				Supporting Activities		Total Expenses
	Education	Research and Analysis	Monitoring and Reporting	Total Program Services	Management and General	Fundraising	
Personnel	\$ 165,558	\$ 165,558	\$ 36,791	\$ 367,907	\$ 119,368	\$ 64,833	\$ 552,108
Printing and mailing house	25,859	25,859	5,746	57,464	1,597	4,789	63,850
Professional fees	-	-	12,446	12,446	46,003	-	58,449
Contract and labor management	21,454	21,454	4,767	47,675	-	-	47,675
Postage and delivery	12,626	12,626	2,806	28,058	2,161	2,061	32,280
Travel and entertainment	8,215	8,215	1,826	18,256	5,133	3,224	26,613
Telephone and internet	9,708	9,708	2,157	21,573	350	350	22,273
Licenses, permits, and fees	-	-	-	-	13,120	5,096	18,216
Information technology	6,890	6,890	1,531	15,311	1,528	1,093	17,932
Meetings and conferences	838	838	186	1,862	11,163	-	13,025
Miscellaneous expense	323	323	71	717	5,131	-	5,848
Database management	1,529	1,529	340	3,398	778	778	4,954
Rent	1,800	1,800	400	4,000	-	-	4,000
Insurance	-	-	-	-	3,754	-	3,754
Graphics and video	1,454	1,454	323	3,231	-	-	3,231
Supplies	-	-	-	-	1,686	-	1,686
Depreciation	158	158	35	351	81	81	513
Total expenses	\$ 256,412	\$ 256,412	\$ 69,425	\$ 582,249	\$ 211,853	\$ 82,305	\$ 876,407

See accompanying notes.

THE CORNUCOPIA INSTITUTE, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (395,921)	\$ (276,724)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	157	513
Decrease in assets		
Promises to give	15,000	30,930
Accounts receivable	10,403	25,190
Prepaid expenses	713	605
Increase (decrease) in liabilities		
Accounts payable	33	848
Accrued payroll and taxes	(9,174)	(16,189)
Net cash flows from operating activities	<u>(378,789)</u>	<u>(234,827)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	1,930
Purchase of investments and dividends reinvested	(1,721)	-
Net cash flows from investing activities	<u>(1,721)</u>	<u>1,930</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program loan	108,800	-
Net change in cash	<u>(271,710)</u>	<u>(232,897)</u>
Cash at beginning of year	<u>1,437,214</u>	<u>1,670,111</u>
Cash at end of year	<u><u>\$ 1,165,504</u></u>	<u><u>\$ 1,437,214</u></u>

See accompanying notes.

THE CORNUCOPIA INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Cornucopia Institute, Inc. (“Cornucopia”) is a non-profit organization that engages in educational activities supporting the ecological principles and economic wisdom underlying sustainable and organic agriculture. Through research and investigations on agricultural issues, Cornucopia provides needed information to consumers, family farmers, regulators and the media. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Promises to Give

Unconditional promises to give are recognized as support or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Uncollectible promises are written off after management makes reasonable collection efforts and determines the promises will not be collected.

Accounts Receivable

Cornucopia considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If accounts become uncollectible, they will be charged to operations when that determination is made.

Investments

Cornucopia reports investments in marketable equity securities with readily determinable fair values at their fair value in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Equipment

Purchases of equipment in excess of \$1,000 are capitalized at cost and depreciated using the straight-line method over the estimated useful lives of the assets.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

THE CORNUCOPIA INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Cornucopia. Volunteers also provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria are not met.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, contract and labor management, information technology, printing and mailing house, rent, telephone and internet, and depreciation, which are allocated on the basis of estimates of time and effort.

Certain costs have been allocated among the major program services and supporting activities benefited. Cornucopia's major programs are as follows:

Education – Cornucopia educates supporters and the general public on issues impacting the integrity of organic agriculture and food, sustainable and local food, and direct marketing via newsletters, website, webinars, research reports, speaking engagements, and collaborative efforts with organizations and organic businesses.

Research and Analysis – With an eye toward human, animal, and environmental health, Cornucopia conducts in-depth research and analysis of organic agriculture and the organic industry, focusing on the production of and markets for eggs, dairy, poultry, beef, grain, and popular products, such as snack bars and plant-based beverages.

Monitoring and Reporting – Cornucopia monitors and provides formal comments on the regulatory processes surrounding the organic standards and actions of the National Organic Standards Board and National Organic Program; monitors accredited certifier compliance to the organic standards; and tracks developments in genetically modified foods and other impacts on organic food producers.

Management and General – Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of Cornucopia's program strategy; secure proper administrative functioning of the board of directors; maintain competent legal services for program administration; and manage the financial and budgetary responsibilities of Cornucopia.

Fundraising – Provides the structure necessary to encourage and secure private financial contributions from individuals, foundations, cooperatives, and corporations.

THE CORNUCOPIA INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Income Tax Status

Cornucopia is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management’s Review

Management has evaluated subsequent events through July 31, 2021, the date which the financial statements were available to be issued.

NOTE 2 – CASH

Cash consisted of the following:

	2020	2019
Checking and money market	\$ 192,187	\$ 210,858
Certificates of deposit	973,317	1,226,356
Cash	\$ 1,165,504	\$ 1,437,214

NOTE 3 – EQUIPMENT

Equipment consisted of the following:

	2020	2019
Equipment	\$ 2,327	\$ 2,327
Accumulated depreciation	(2,317)	(2,160)
Equipment, net	\$ 10	\$ 167

NOTE 4 – NET ASSETS

Net assets with donor restrictions at December 31, 2019 were restricted for subsequent years’ activities.

THE CORNUCOPIA INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 5 – INVESTMENTS

Investments are comprised of the following:

	2020	2019
Money market fund	\$ 113	\$ 48
Stocks	7,150	5,494
Investments	\$ 7,263	\$ 5,542

Fair values of common stocks are based on the closing prices reported on the active market where the individual securities are traded.

NOTE 6 – LIQUIDITY AND AVAILABILITY

Cornucopia's board of directors has designated net assets without donor restrictions in the Legacy Fund, to support long-term operations of Cornucopia.

The following table reflects Cornucopia's financial assets as of the dates of the statements of financial position reduced by amounts that are not available to meet cash needs for general expenditures within one year of the dates of the statements of financial position because of donor-imposed restrictions.

	2020	2019
Cash	\$ 1,165,504	\$ 1,437,214
Accounts receivable	20,330	30,733
Promises to give	-	15,000
Investments	7,263	5,542
Financial assets, at year-end	1,193,097	1,488,489
Less those unavailable for general expenditures within one year:		
Due to board-designated Legacy Fund	(1,048,000)	(1,048,000)
Due to donor restricted funds	-	(15,000)
Financial assets, at year-end, available to meet cash needs for general expenditures within one year	\$ 145,097	\$ 425,489

Financial assets not available for general expenditures include \$1,048,000 at December 31, 2020 set aside to support long-term operations of Cornucopia. However, these board-designated fund can be made available if necessary by board action.

Cornucopia is substantially supported by contributions with and without restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Cornucopia must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

THE CORNUCOPIA INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 6—LIQUIDITY AND AVAILABILITY (continued)

As part of Cornucopia's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 7—RISKS AND UNCERTAINTIES

The COVID-19 pandemic has impacted and could further impact Cornucopia operations. The extent to which the COVID-19 pandemic impacts Cornucopia business, results of operations, and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on Cornucopia clients and revenues and to what extent normal economic and operating conditions can resume. Therefore, Cornucopia cannot reasonably estimate the impact at this time.

NOTE 8—PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, Cornucopia received funding from the PPP as part of the CARES Act implemented by the SBA. These funds were to help cover payroll costs, rent, and utilities during the COVID-19 outbreak. Cornucopia received a loan from this program in the amount of \$108,800, to be repaid over 60 months at 1% interest. Because Cornucopia was able to meet certain criteria set forth by the CARES Act, Cornucopia received complete forgiveness of their loan in July 20, 2021. As such, \$108,800 of revenue will be recorded in 2021 to remove the associated liability from the organization's 2021 Statement of Financial Position.

Cornucopia must retain PPP documentation in its files for six years after the date the loan was forgiven and permit authorized representatives of the SBA to access such files upon request. The SBA may review any loan at any time at its discretion. Therefore, the SBA may review Cornucopia's good-faith certification concerning the necessity of its loan request, whether Cornucopia calculated the loan amount correctly, whether Cornucopia used loan proceeds for the allowable uses specified in the CARES Act, and whether Cornucopia is entitled to loan forgiveness in the amount claimed on its application. If SBA determines Cornucopia was ineligible for the loan or for full forgiveness in whole or in part, the SBA will seek repayment of the award.