



**C O R N U C O P I A**

**I N S T I T U T E**

**FINANCIAL STATEMENTS**

December 31, 2021 and 2020

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinion***

We have audited the financial statements of The Cornucopia Institute, Inc., which comprise 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 accompanying financial statements present fairly, in all material respects, the financial position of The Cornucopia Institute, Inc. as of December 31, 2021 and 2020, and the results of its operations 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Cornucopia Institute, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Cornucopia Institute, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities 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 auditor's 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 GAAS 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 GAAS, 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 Cornucopia Institute, Inc.'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 Cornucopia Institute, Inc.'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.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
August 5, 2022

**THE CORNUCOPIA INSTITUTE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Cash	\$ 1,084,200	\$ 1,165,504
Accounts receivable	21,842	20,330
Employee Retention Tax Credit receivable	194,148	-
Prepaid expenses	2,784	2,293
Investments	7,485	7,263
Equipment, net	-	10
<b>Total assets</b>	<b>\$ 1,310,459</b>	<b>\$ 1,195,400</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 22,125	\$ 25,707
Accrued payroll and taxes	25,316	21,917
Paycheck Protection Program loan	-	108,800
<b>Total liabilities</b>	<b>47,441</b>	<b>156,424</b>
<b>NET ASSETS</b>		
Without donor restrictions	1,263,018	1,038,976
<b>Total liabilities and net assets</b>	<b>\$ 1,310,459</b>	<b>\$ 1,195,400</b>

See accompanying notes.

**THE CORNUCOPIA INSTITUTE, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES</b>		
Foundation and corporate contributions	\$ 193,500	\$ 163,850
Member and private contributions	358,399	263,958
Investment return, net	14,078	22,973
Paycheck Protection Program income	229,700	-
Employee Retention Tax Credit income	194,148	-
Other revenue	92	-
	<u>989,917</u>	<u>450,781</u>
<b>EXPENSES</b>		
Program services		
Education	221,401	239,421
Research and analysis	221,401	239,421
Monitoring and reporting	49,202	55,890
	<u>492,004</u>	<u>534,732</u>
Management and general	222,200	245,426
Fundraising	51,671	66,544
	<u>765,875</u>	<u>846,702</u>
Net assets released from restrictions	-	15,000
Change in net assets without donor restrictions	224,042	(380,921)
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Net assets released from restrictions	-	(15,000)
Change in net assets	224,042	(395,921)
Net assets at beginning of year	1,038,976	1,434,897
<b>Net assets at end of year</b>	<u>\$ 1,263,018</u>	<u>\$ 1,038,976</u>

See accompanying notes.

**THE CORNUCOPIA INSTITUTE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2021

	Program Services				Supporting Activities		Total Expenses
	Education	Research and Analysis	Monitoring and Reporting	Total Program Services	Management and General	Fundraising	
Personnel	\$ 163,858	\$ 163,858	\$ 36,413	\$ 364,129	\$ 159,093	\$ 39,217	\$ 562,439
Printing and mailing house	19,300	19,300	4,289	42,889	1,191	3,574	47,654
Professional fees	-	-	-	-	43,593	-	43,593
Contract and labor management	14,301	14,301	3,178	31,780	-	-	31,780
Information technology	9,424	9,424	2,094	20,942	1,118	699	22,759
Telephone and internet	6,887	6,887	1,531	15,305	379	379	16,063
Postage and delivery	4,081	4,081	907	9,069	840	1,902	11,811
Licenses, permits, and fees	-	-	-	-	6,642	4,865	11,507
Database management	2,069	2,069	460	4,598	968	968	6,534
Insurance	-	-	-	-	3,577	-	3,577
Supplies	-	-	-	-	1,759	-	1,759
Graphics and video	652	652	145	1,449	-	-	1,449
Meetings and conferences	425	425	95	945	1	-	946
Travel and entertainment	278	278	62	618	193	66	877
Depreciation	3	3	1	7	2	1	10
Miscellaneous expense	123	123	27	273	2,844	-	3,117
<b>Total expenses</b>	<b>\$ 221,401</b>	<b>\$ 221,401</b>	<b>\$ 49,202</b>	<b>\$ 492,004</b>	<b>\$ 222,200</b>	<b>\$ 51,671</b>	<b>\$ 765,875</b>

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
Information technology	12,866	12,866	2,859	28,591	1,790	970	31,351
Telephone and internet	7,856	7,856	1,746	17,458	405	404	18,267
Postage and delivery	7,081	7,081	1,574	15,736	1,247	1,360	18,343
Licenses, permits, and fees	-	-	-	-	10,189	4,707	14,896
Database management	1,726	1,726	384	3,836	922	922	5,680
Insurance	-	-	-	-	3,163	-	3,163
Supplies	-	-	-	-	1,144	-	1,144
Graphics and video	1,814	1,814	399	4,027	-	-	4,027
Meetings and conferences	328	328	73	729	29	-	758
Travel and entertainment	1,218	1,218	271	2,707	929	374	4,010
Depreciation	48	48	11	107	25	25	157
Miscellaneous expense	229	229	51	509	260	-	769
<b>Total expenses</b>	<b>\$ 239,421</b>	<b>\$ 239,421</b>	<b>\$ 55,890</b>	<b>\$ 534,732</b>	<b>\$ 245,426</b>	<b>\$ 66,544</b>	<b>\$ 846,702</b>

See accompanying notes.



**THE CORNUCOPIA INSTITUTE, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 224,042	\$ (395,921)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Gain on extinguishment of debt	(229,700)	-
Depreciation	10	157
Net realized and unrealized loss (gain) on investments	(222)	-
(Increase) decrease in assets		
Promises to give	-	15,000
Accounts receivable	(1,512)	10,403
Employee Retention Tax Credit receivable	(194,148)	-
Prepaid expenses	(491)	713
Increase (decrease) in liabilities		
Accounts payable	(3,582)	33
Accrued payroll and taxes	3,399	(9,174)
<b>Net cash flows from operating activities</b>	(202,204)	(378,789)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments and dividends reinvested	-	(1,721)
<b>Net cash flows from investing activities</b>	-	(1,721)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	120,900	108,800
<b>Net change in cash</b>	(81,304)	(271,710)
Cash at beginning of year	1,165,504	1,437,214
<b>Cash at end of year</b>	\$ 1,084,200	\$ 1,165,504

See accompanying notes.

**THE CORNUCOPIA INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021 and 2020

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**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, 2021 and 2020

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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, 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, 2021 and 2020

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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 August 5, 2022, the date which the financial statements were available to be issued.

NOTE 2 – CASH

Cash at December 31, 2021 and 2020 consisted of the following:

	2021	2020
Checking and money market	\$ 331,441	\$ 192,187
Certificates of deposit	752,759	973,317
Cash	\$ 1,084,200	\$ 1,165,504

NOTE 3 – EQUIPMENT

Equipment at December 31, 2021 and 2020 consisted of the following:

	2021	2020
Equipment	\$ 2,327	\$ 2,327
Accumulated depreciation	(2,327)	(2,317)
Equipment, net	\$ -	\$ 10

NOTE 4 – NET ASSETS

Net assets with donor restrictions at December 31, 2020 were restricted for subsequent years’ activities.

**THE CORNUCOPIA INSTITUTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021 and 2020

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**NOTE 5 – INVESTMENTS**

Investments at December 31, 2021 and 2020 were comprised of the following:

	2021	2020
Money market fund	\$ 179	\$ 113
Stocks	7,306	7,150
Investments	\$ 7,485	\$ 7,263

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.

	2021	2020
Cash	\$ 1,084,200	\$ 1,165,504
Accounts receivable	21,842	20,330
Employee Retention Tax Credit receivable	194,148	-
Investments	7,485	7,263
Financial assets, at year-end	1,307,675	1,193,097
Less those unavailable for general expenditures within one year:		
Due to board-designated Legacy Fund	(1,048,000)	(1,048,000)
Financial assets at year-end, available to meet cash needs for general expenditures within one year	\$ 259,675	\$ 145,097

Financial assets not available for general expenditures included \$1,048,000 at December 31, 2021 and 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 donor 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.

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.

**THE CORNUCOPIA INSTITUTE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

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**NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN**

Cornucopia received loans totaling \$229,700 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loans accrue interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by Cornucopia during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over five years. On July 20, 2021, the SBA preliminarily approved forgiveness of Cornucopia's first draw loan and accrued interest. On September 14, 2021, the SBA preliminarily approved forgiveness of Cornucopia's second draw loan and accrued interest. Cornucopia must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, 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 forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**NOTE 8 – EMPLOYEE RETENTION TAX CREDIT**

Cornucopia determined that it may be eligible for the Employee Retention Tax Credit as authorized under the Consolidated Appropriations Act for applicable quarters in 2021. Cornucopia has applied for this credit as a measure to mitigate the impact of the COVID-19 pandemic. \$194,148 of Employee Retention Tax Credit income was recorded for 2021, and the same amount was recorded as a receivable at December 31, 2021.