

**The Cornucopia Institute, Inc.**

**Independent Auditor's Report  
And  
Financial Statements  
December 31, 2022 and 2021**

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**Metwally CPA PLLC****CERTIFIED PUBLIC ACCOUNTANT**

1312 Norwood Dr STE 100, Bedford, Texas 76022

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

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**Independent Auditor's Report**

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

**Opinion**

We have audited the accompanying financial statements of The Cornucopia Institute, Inc. (a Wisconsin nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022 and the results of its operations and its cash flows for the year 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. 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.

**Other Matter**

The financial statements of The Cornucopia Institute, Inc. for the year ended December 31, 2021 were audited by another auditor, who expressed an unmodified opinion on those statements on August 5, 2022.

**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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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.

*Metwally CPA PLLC*

Metwally CPA PLLC  
Bedford, Texas  
October 17, 2023

**The Cornucopia Institute, Inc.**  
**Statements of Financial Position**  
**December 31, 2022 and 2021**

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	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 347,042	\$ 331,371
Accounts receivable	118,387	21,842
Employee retention tax credit receivable	-	194,148
Investments	686,665	760,314
Prepaid expenses	4,087	2,784
<b>Total Current Assets</b>	<b>1,156,181</b>	<b>1,310,459</b>
<b>Total Assets</b>	<b>\$ 1,156,181</b>	<b>\$ 1,310,459</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 38,546	\$ 22,125
Accrued liabilities	21,741	25,316
<b>Total Current Liabilities</b>	<b>60,288</b>	<b>47,441</b>
<b>Total Liabilities</b>	<b>60,288</b>	<b>47,441</b>
<b>Net Assets</b>		
Without donor restrictions	-	-
With donor restrictions	1,095,893	1,263,018
<b>Total Net Assets</b>	<b>1,095,893</b>	<b>1,263,018</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 1,156,181</b>	<b>\$ 1,310,459</b>

*The accompanying notes are an integral part of the financial statements.*

**The Cornucopia Institute, Inc.**  
**Statements of Activities**  
**Years Ended December 31, 2022 and 2021**

			<b>Total</b>	
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2022</b>	<b>2021</b>
<b>Revenue and Other Support</b>				
Member and private contributions	\$ 383,160	\$ -	\$ 383,160	\$ 358,399
Foundation and corporate contributions	261,479	-	261,479	193,500
Employee retention tax credit receivable	-	-	-	194,148
Other revenue	1,000	-	1,000	92
<b>Total Revenues and Other Supports</b>	<b>645,639</b>	<b>-</b>	<b>645,639</b>	<b>746,138</b>
<b>Functional Expenses</b>				
<b>Program Services</b>				
Education	306,131	-	306,131	221,401
Research and analysis	306,131	-	306,131	221,401
Monitoring and reporting	68,030	-	68,030	49,202
<b>Total Program Services</b>	<b>680,292</b>	<b>-</b>	<b>680,292</b>	<b>492,004</b>
<b>Supporting Activities:</b>				
Management and general	104,744	-	104,744	222,200
Fundraising	43,932	-	43,932	51,671
<b>Total Supporting Activities:</b>	<b>148,676</b>	<b>-</b>	<b>148,676</b>	<b>273,871</b>
<b>Total Functional Expenses</b>	<b>828,968</b>	<b>-</b>	<b>828,968</b>	<b>765,875</b>
<b>Other Income/ (Expense)</b>				
PPP loan forgiveness	-	-	-	229,700
Unrealized gain / (loss) on investments	(1,505)	-	(1,505)	222
Dividends and Interest income	17,708	-	17,708	13,857
<b>Total Other Income/ (Expense)</b>	<b>16,203</b>	<b>-</b>	<b>16,203</b>	<b>243,780</b>
<b>Change In Net Assets</b>	<b>(167,126)</b>	<b>-</b>	<b>(167,126)</b>	<b>224,042</b>
Net assets, beginning of year	1,263,018	-	1,263,018	1,038,976
<b>Net Assets, End of Year</b>	<b>\$ 1,095,893</b>	<b>\$ -</b>	<b>\$ 1,095,893</b>	<b>\$ 1,263,018</b>

*The accompanying notes are an integral part of the financial statements.*

**The Cornucopia Institute, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2022**

	Program Services				Supporting Activities		2022
	Education	Research and Analysis	Monitoring and Reporting	Total Program Services	Management and General	Fundraising	
Personnel	\$ 223,596	\$ 223,596	\$ 49,688	\$ 496,879	\$ 21,657	\$ 19,211	\$ 537,748
Printing and mailing house	25,497	25,497	5,666	56,659	1,574	4,722	62,955
Professional fees	-	-	-	-	43,441	-	43,441
Contract and labor management	16,179	16,179	3,595	35,953	-	-	35,953
Information technology	11,906	11,906	2,646	26,457	1,415	886	28,757
Telephone and internet	9,102	9,102	2,023	20,227	532	532	21,292
Postage and delivery	13,153	13,153	2,923	29,228	2,619	6,111	37,959
Licenses, permits and fees	-	-	-	-	14,928	10,810	25,737
Database management	2,417	2,417	537	5,372	1,151	1,151	7,674
Insurance	-	-	-	-	4,046	-	4,046
Supplies	-	-	-	-	1,790	-	1,790
Graphics and video	903	903	201	2,007	-	-	2,007
Meetings and conferences	797	797	177	1,772	18	-	1,790
Travel and entertainment	2,137	2,137	475	4,750	1,527	509	6,786
Miscellaneous expense	444	444	99	987	10,046	-	11,032
<b>Total Expenses</b>	<b>\$ 306,131</b>	<b>\$ 306,131</b>	<b>\$ 68,030</b>	<b>\$ 680,292</b>	<b>\$ 104,744</b>	<b>\$ 43,932</b>	<b>\$ 828,968</b>

*The accompanying notes are an integral part of the financial statements.*

**The Cornucopia Institute, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**

	Program Services				Supporting Activities		2021
	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 expense	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>

*The accompanying notes are an integral part of the financial statements.*

**The Cornucopia Institute, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

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	<b>2022</b>	<b>2021</b>
<b>Operating Activities:</b>		
Change in net assets	\$ (167,126)	\$ 224,042
<b>Adjustments to reconcile change in net assets to net cash provided by operations:</b>		
Net realized and unrealized loss (gain) on investments	1,505	(222)
PPP loan forgiveness	-	(229,700)
Depreciation expense	-	10
<b>Change in operating assets and liabilities:</b>		
Change in receivables	(96,545)	(1,512)
Change in employee retention tax credit income	194,148	(194,148)
Change in prepaid expenses	(1,304)	(491)
Change in accounts payable and accrued liabilities	12,847	(183)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(56,475)</b>	<b>(202,204)</b>
<b>Investing Activities:</b>		
Liquidation of certificates of deposits	72,145	220,488
<b>Net Cash Provided by (Used In) Investing Activities</b>	<b>72,145</b>	<b>220,488</b>
<b>Financing Activities</b>		
Proceeds from PPP loan	-	120,900
<b>Net Cash Flows Provided By (Used In) Financing Activities</b>	<b>-</b>	<b>120,900</b>
<b>Net Change In Cash And Cash Equivalent During The Year</b>	<b>15,669</b>	<b>139,184</b>
Cash and cash equivalent - beginning of the year	331,371	192,187
<b>Cash And Cash Equivalent - End of The Year</b>	<b>\$ 347,040</b>	<b>\$ 331,371</b>

*The accompanying notes are an integral part of the financial statements.*

**The Cornucopia Institute, Inc.**  
**Notes to the Financial Statements**  
**Years Ended December 31, 2022 and 2021**

**1. OPERATIONS AND NONPROFIT STATUS**

The Cornucopia Institute, Inc. ("Cornucopia", or "Organization") 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

**A. Basis of Accounting**

The Organization's financial statements have been prepared using accrual basis accounting in accordance with generally accepted accounting principles (US GAAP), which requires the reporting of financial information regarding its activities and financial position according to separate classes of net assets based on the existence or absence of donor restrictions.

Net assets without donor restrictions - resources management and the governing Board has sole discretion to expend for any purpose towards its mission.

Net assets with donor restrictions - subject to donor-imposed stipulations that restrict the use of resources to specific purposes or future periods.

**B. Cash and Cash Equivalents**

Cash and Cash Equivalents consist of cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes.

**C. 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.

#### **D. Accounts Receivables**

Accounts receivables are stated at the amount management expects to be collected from outstanding balances. As of December 31, 2022 and 2021, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

#### **E. Investments**

Short-term investments are certificates of deposit held at FDIC-insured commercial banks that have original maturities of greater than three months and do not meet the definition of debt securities. Certificates of deposit are valued at amortized cost which approximates fair value.

The organization 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. Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities. Investment return/(loss) is reported net in the statement of activities and consists of realized and unrealized gains and losses, less external and direct internal investment expenses. Interest and dividends and investment return are reflected in the statements of activities as income without donor restrictions or income with donor restrictions based upon the existence and nature of any donor restrictions. Interest and dividends and investment return that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the interest and dividends and investment return are recognized. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

#### **F. Fair value measurements**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical, unrestricted assets or liabilities, without adjustment in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

#### **G. Prepaid Expenses**

Expenditures paid in advance for expenses to be incurred in the following accounting period are recognized as prepaid expenses.

#### **H. 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.

#### **I. Accounts Payable and Accrued Expenses**

Accounts payable consists of expenses invoiced by vendors that are outstanding at the end of the accounting period. Accrued expenses are payroll liabilities and operating expenses incurred during the accounting period but not payable until the following fiscal year.

#### **J. Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows: Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment. Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### **K. 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.

#### **L. Functional Expenses 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.

#### **M. Contributions, Gifts and Grants**

As required by the FASB Accounting Standards Codification™, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, securities, collection items or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give—that is, those with a measurable performance or other barrier and right of return—are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction expires, at which time the assets are reclassified to net assets without donor restrictions. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

#### **N. Income Taxes**

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

#### **O. 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 revenues and expenses. Actual results could differ from those estimates.

#### **P. Concentrations Of Credit Risk**

The Organization's cash deposits and certificates of deposit have been placed with high credit financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each bank. During the years ended December 31, 2022 and 2021, the total balance at a financial institution may exceed insured limits. The organization has not experienced, nor does it anticipate, any losses with respect to its deposit accounts.

#### **Q. Reclassification**

Certain reclassifications have been made to the 2021 financial statements in order to conform to the 2022 presentation. There were no changes to previously issued financial statements as a result of the reclassifications.

#### **R. Recent Accounting Guidance**

The Organization has adopted ASU No. 2018-08, Not-For-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The new guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. The adoption of this standard for the year ended December 31, 2022 did not result in a change to the accounting for the Organization's revenue. Management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Organization has evaluated the impact of this standard on its financial statements and determined that it doesn't have any lease that meet the requirement to recognize a right-of-use asset and liability because the Organization doesn't have any long-term leases.

### **3. 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. An amount of \$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. This amount was received in 2022 and therefore no Employee Retention Tax Credit is owed as of December 31, 2022.

#### 4. LIQUIDITY AND FUND 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. As part of the Organization's liquidity management, it has the policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The following is a quantitative disclosure that describes financial assets that are available within one year of December 31, 2022 and 2021, to fund general expenditures and other obligation as they become due: A summary of the total insured and uninsured cash balances as of December 31, 2022, and 2021 are as follows:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 347,042	\$ 331,371
Investments	686,665	760,314
Employee retention tax credit receivable	-	194,148
Accounts and grants receivable	109,946	21,842
<b>Total financial assets</b>	<b>1,152,094</b>	<b>1,307,675</b>
Less those unavailable for general expenditures:		
Due to board-designated Legacy Fund	(1,048,000)	(1,048,000)
<b>Financial assets available to meet cash needs for general expenditures within one year.</b>	<b>\$ 104,094</b>	<b>\$ 259,675</b>

Financial assets not available for general expenditures included \$1,048,000 at December 31, 2022 and 2021 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.

Deposits held in commercial banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2022, and December 31, 2021.

A summary of the total insured and uninsured cash balances as of December 31, 2022, and 2021 are as follows:

	<b>2022</b>	<b>2021</b>
Total cash	\$ 347,042	\$ 331,371
Portion insured by FDIC	250,000	250,000
<b>Uninsured cash balance</b>	<b>\$ 97,042</b>	<b>\$ 81,371</b>

## 5. ACCOUNTS AND GRANTS RECEIVABLE

Accounts Receivable on December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Contributions Receivable	\$ 118,387	\$ 21,842
	<u>\$ 118,387</u>	<u>\$ 21,842</u>

## 6. INVESTMENTS

Fair value of Investments measured on a recurring basis, on December 31, 2022 and 2021 were as follows:

	<u>FAIR VALUE MEASUREMENTS 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable securities	\$ 5,980	\$ -	\$ -	\$ 5,980
Certificate of deposits	680,685	-	-	680,685
	<u>\$ 686,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 686,665</u>
	<u>FAIR VALUE MEASUREMENTS 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable securities	\$ 7,485	\$ -	\$ -	\$ 7,485
Certificate of deposits	752,829	-	-	752,829
	<u>\$ 760,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,314</u>

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Fair value was based on an unadjusted quoted price for identical assets in the active market as of the date of the financial statements. Unrealized gains and losses are included in the accompanying statements of activities.

## 7. PAYCHECK PROTECTION PROGRAM (PPP)

The Cornucopia Institute, Inc. received a loan in 2020 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan is fully forgiven in 2021. The Cornucopia Institute, Inc. believes that it has met the PPP's eligibility criteria and believes the loan is, in substance, a grant that is expected to be forgiven. The Cornucopia Institute, Inc. recognizes amounts to be forgiven as revenue when it incurs qualifying expenses. Cornucopia received loans totaling \$229,700 under the 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.

## 8. PROPERTY AND EQUIPMENT

As of December 31, 2022, and 2021 the organization's property and equipment was fully depreciated and was consisted of the following class of depreciable assets:

	<b>2022</b>	<b>2021</b>
Equipment	\$ 2,327	\$ 2,327
Less: Accumulated Depreciation	(2,327)	(2,327)
<b>Property and equipment, net</b>	<b>\$ -</b>	<b>\$ -</b>

Depreciation expense recorded for the years ended December 2022 and 2021 was \$0 and \$10 respectively.

## 9. DESIGNATION AND RESTRICTIONS OF NET ASSETS:

As of December 31, 2022 and 2021, net assets consisted of the following balances:

	<b>2022</b>	<b>2021</b>
Net Assets With Donor Restrictions	\$ -	\$ -
Net Assets Without Donor Restrictions	1,095,893	1,263,018
<b>Total</b>	<b>\$ 1,095,893</b>	<b>\$ 1,263,018</b>

## 10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 17, 2023, which is the date the financial statements were available to be issued. The Organization did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.