

**FINANCIAL STATEMENTS**

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY**

**DECEMBER 31, 2010**

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY**

**DECEMBER 31, 2010**

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# KNACK, PAVLOFF & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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To The Board of Directors  
Cornell Cooperative Extension Association of Sullivan County  
Liberty, New York 12754

We have audited the accompanying statements of financial position of Cornell Cooperative Extension Association of Sullivan County (a non-profit organization) as of December 31, 2010 and 2009, and the related statements of support, revenues, expenses and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cornell Cooperative Extension Association of Sullivan County as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Knack, Pavloff & Company, LLP*

Monticello, New York

May 6, 2011

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,**

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 134,377	\$ 237,318
Accounts Receivable	184,842	198,918
Advances	<u>-</u>	<u>269</u>
TOTAL CURRENT ASSETS	<u>319,219</u>	<u>436,505</u>
PROPERTY, PLANT & EQUIPMENT		
Equipment	170,835	168,296
Less: Accumulated Depreciation	<u>153,199</u>	<u>145,863</u>
NET PROPERTY, PLANT & EQUIPMENT	<u>17,636</u>	<u>22,433</u>
OTHER ASSETS		
Deposit - Cornell University	<u>62,900</u>	<u>56,200</u>
TOTAL ASSETS	<u>\$ 399,755</u>	<u>\$ 515,138</u>
LIABILITIES & NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 47,346	\$ 87,204
Accrued Expenses & Taxes	48,853	72,037
Deferred Revenues	<u>10,216</u>	<u>15,139</u>
TOTAL CURRENT LIABILITIES	<u>106,415</u>	<u>174,380</u>
NET ASSETS		
UNRESTRICTED		
Fixed Assets	17,636	22,433
Designated	178,486	169,310
Undesignated	<u>97,218</u>	<u>149,015</u>
TOTAL NET ASSETS	<u>293,340</u>	<u>340,758</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 399,755</u>	<u>\$ 515,138</u>

**SEE ACCOMPANYING NOTES AND AUDITORS' OPINION**

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY  
STATEMENTS OF SUPPORT, REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS		
SUPPORT & REVENUES		
SUPPORT		
Contributions	\$ 7,347	\$ 7,272
Fund Raising	56,850	44,567
REVENUES		
Program Fees	31,194	31,126
Rental Income	35,620	33,600
Advertising/Subscription Income	35,827	6,363
Interest	1,190	4,183
Miscellaneous	139	2,577
Gain (Loss) on Capital Assets	-	(2,293)
NET ASSETS RELEASED FROM RESTRICTIONS		
RESTRICTIONS SATISFIED BY PAYMENTS & TIME	<u>1,098,639</u>	<u>1,278,063</u>
TOTAL SUPPORT & REVENUES	<u>1,266,806</u>	<u>1,405,458</u>
EXPENSES		
PROGRAM SERVICES		
Community Services & Education	<u>1,006,351</u>	<u>1,110,463</u>
SUPPORTING SERVICES		
Management & General	280,644	326,901
Fund Raising	<u>27,229</u>	<u>11,632</u>
TOTAL SUPPORTING SERVICES	<u>307,873</u>	<u>338,533</u>
TOTAL EXPENSES	<u>1,314,224</u>	<u>1,448,996</u>
NET INCREASE (DECREASE) IN UNRESTRICTED ASSETS	<u>(47,418)</u>	<u>(43,538)</u>
TEMPORARILY RESTRICTED NET ASSETS		
New York State 224 Funds	42,140	110,153
Other New York State Contracts	29,747	92,069
Smith/Lever Grant	8,570	10,199
County of Sullivan	415,000	437,000
Other Grants/Contracts	264,904	277,969
Cornell University	338,278	349,675
NET ASSETS RELEASED FROM RESTRICTIONS		
RESTRICTIONS SATISFIED BY PAYMENTS & TIME	<u>(1,098,639)</u>	<u>(1,278,063)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>(998)</u>
DECREASE IN NET ASSETS	(47,418)	(44,536)
NET ASSETS - JANUARY 1,	<u>340,758</u>	<u>385,294</u>
NET ASSETS - DECEMBER 31,	<u>\$ 293,340</u>	<u>\$ 340,758</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>TOTAL PROGRAM SERVICES</u>	<u>MANAGEMENT &amp; GENERAL</u>	<u>FUND- RAISING</u>	<u>TOTAL EXPENSES</u>
EXPENSES				
Personnel	\$ 585,026	\$ 125,893	\$ -	\$ 710,919
Payroll Taxes & Benefits	290,942	62,615	-	353,557
Communications	20,960	4,920	-	25,880
Supplies	7,822	4,902	-	12,724
Insurance	1,911	9,019	-	10,930
Conferences & Conventions	3,339	543	-	3,882
Travel	20,039	2,806	-	22,845
Consultants	11,498	-	-	11,498
Grants & Contracts	12,063	6,185	-	18,248
Occupancy	-	34,914	-	34,914
Interest	-	61	-	61
Depreciation	-	7,337	-	7,337
Advertising & Printing	28,954	5,128	-	34,082
Awards & Teaching Materials	20,921	-	-	20,921
Equipment Lease	2,841	7,232	-	10,073
Fees	35	689	-	724
Direct Costs - Special Events	-	-	27,229	27,229
Professional Fees	-	8,400	-	8,400
	<u>-</u>	<u>8,400</u>	<u>-</u>	<u>8,400</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>1,006,351</u></b>	<b>\$ <u>280,644</u></b>	<b>\$ <u>27,229</u></b>	<b>\$ <u>1,314,224</u></b>

**SEE ACCOMPANYING NOTES AND AUDITORS' OPINION**

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>TOTAL PROGRAM SERVICES</u>	<u>MANAGEMENT &amp; GENERAL</u>	<u>FUND- RAISING</u>	<u>TOTAL EXPENSES</u>
EXPENSES				
Personnel	\$ 669,572	\$ 150,659	\$ -	\$ 820,231
Payroll Taxes & Benefits	301,931	67,947	-	369,878
Communications	20,896	10,486	-	31,382
Supplies	22,758	12,588	-	35,346
Insurance	-	10,920	-	10,920
Conferences & Conventions	6,596	2,661	-	9,257
Travel	26,026	2,495	-	28,521
Consultants	13,227	384	-	13,611
Grants & Contracts	14,224	4,085	-	18,309
Occupancy	-	36,572	-	36,572
Interest	-	456	-	456
Depreciation	-	8,089	-	8,089
Advertising & Printing	9,341	1,820	-	11,161
Awards & Teaching Materials	23,547	-	-	23,547
Equipment Lease	1,977	8,702	-	10,679
Fees	368	453	-	821
Direct Costs - Special Events	-	-	11,632	11,632
Professional Fees	-	8,400	-	8,400
Miscellaneous	-	184	-	184
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL EXPENSES	\$ <u>1,110,463</u>	\$ <u>326,901</u>	\$ <u>11,632</u>	\$ <u>1,448,996</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (47,418)	\$ (44,536)
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	7,336	8,089
(Gain) Loss on Sale of Capital Assets	-	2,293
Decrease (Increase) In		
Accounts Receivable	14,345	74,893
Deposit	(6,700)	(8,600)
Increase (Decrease) In		
Accounts Payable	(39,858)	(19,992)
Accrued Expenses & Taxes	(23,184)	2,216
Deferred Revenue	<u>(4,923)</u>	<u>(4,161)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(100,402)</u>	<u>10,202</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Equipment	<u>(2,539)</u>	<u>(12,775)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(2,539)</u>	<u>(12,775)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(102,941)	(2,573)
<b>CASH AT JANUARY 1,</b>	<u>237,318</u>	<u>239,891</u>
<b>CASH AT DECEMBER 31,</b>	<u>\$ 134,377</u>	<u>\$ 237,318</u>
 <b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	\$ <u>61</u>	\$ <u>456</u>
Taxes Paid	\$ <u>-</u>	\$ <u>-</u>

**SEE ACCOMPANYING NOTES AND AUDITORS' OPINION**



**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION**

Cornell Cooperative Extension Association of Sullivan County (CCE) is a publicly supported organization exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. CCE is part of the Cornell Cooperative Extension Land Grant System, a partnership among Federal, State and County Governments. The Organization provides educational services to residents of Sullivan County.

The Organization's main source of funding is contributions, grants and contracts.

**FINANCIAL STATEMENT PRESENTATION**

Under SFAS No. 117, the Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

**CONTRIBUTIONS**

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**CONTRIBUTED SERVICES**

During the year ended December 31, 2010, the value of contributed services was not recorded in the financial statements and the information necessary to compute the amount is not readily available.

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. Furniture and equipment are depreciated over five to fifteen years.

**CAPITALIZATION POLICY**

It is the policy of CCE to capitalize all purchases of property, plant and equipment with a per item cost of \$1,000 or more. Individual items costing less than \$1,000 are expensed as incurred.

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(continued)**

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

**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.

**BAD DEBTS**

It is policy of CCE to account for bad debts by the direct write-off method. Although this is not in accordance with Generally Accepted Accounting Principles, management has informed us that the annual write-off is clearly immaterial in amount.

**CASH AND CASH EQUIVALENTS**

All highly liquid debt instruments purchased with maturity of three months or less are considered to be cash equivalents for purposes of the statement of cash flows.

**NOTE 2 - LEASE**

CCE leases its premises from the County of Sullivan. Under the terms of the lease, CCE can use the property for such time and under such conditions as it deems appropriate. The County charges no rent for such use.

**NOTE 3 - CONTINGENCIES**

CCE receives revenue from government grants and contracts. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlements reached, there exists a contingency to refund any amount received in excess of allowable costs.

**CORNELL COOPERATIVE EXTENSION  
ASSOCIATION OF SULLIVAN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010**

**NOTE 4 - COMPENSATED ABSENCES**

It is the policy of the Organization to compensate its employees for vacation, sick and personal time. The liability for vacation time is \$48,003 at December 31, 2010. The liability for sick and personal time has not been accrued as the amount is immaterial to the financial statements.

**NOTE 5 - EMPLOYEE BENEFIT AND PAYROLL TAXES**

With the exception of Workers' Compensation and Unemployment Insurance, all payroll taxes and employee benefits for CCE employees are paid by the State and Federal Governments through Cornell University. The value of this benefit to CCE for the year ended December 31, 2010 and 2009 was \$338,278 and \$349,675 respectively.

**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2010</u>	<u>2009</u>
Equipment & Furniture	\$156,866	\$154,327
Vehicles	<u>13,969</u>	<u>13,969</u>
	170,835	168,296
Accumulated Depreciation	<u>153,199</u>	<u>145,863</u>
Total	<u>\$ 17,636</u>	<u>\$ 22,433</u>

**NOTE 7 - EVALUATION OF SUBSEQUENT EVENTS**

The Association has evaluated subsequent events through May 6, 2011, the date which the financial statements were available to be issued.

**NOTE 8 - UNRESTRICTED NET ASSETS**

The designated net assets have been set aside by the Board for use by specific clubs and activities sponsored by the Association. These designated funds can only be transferred by Board action.