

FOREST PRESERVE FOUNDATION, INC.

**Financial Statements
as of December 31, 2018 and 2017
Together with Auditor's Report**



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Forest Preserve Foundation, Inc.
Chicago, Illinois

We have audited the accompanying financial statements of Forest Preserve Foundation, Inc. which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forest Preserve Foundation, Inc. as of December 31, 2018 and 2017, 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.

Report on Summarized Comparative Information

We have previously audited the Forest Preserve Foundation, Inc.'s 2017 financial statements and our report, dated March 12, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Kopczyk, Osher, & Scott", written in a cursive style.

KOPCZYK, OSHER, & SCOTT

Chicago, Illinois
May 1, 2019

FOREST PRESERVE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

ASSETS	<u>2018</u>	<u>2017</u>
Cash – Without Donor Restriction	\$ 439,006	\$ 194,894
Cash – With Donor Restriction	229,435	5,785
Grants Receivable	54,000	20,850
Prepaid Expenses	3,143	3,188
Equipment	651	651
Accumulated Depreciation	<u><651></u>	<u><651></u>
TOTAL ASSETS	<u>\$ 725,584</u>	<u>\$ 224,717</u>
LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 1,425	\$ 104,743
Accrued Expenses	<u>16,917</u>	<u>14,084</u>
TOTAL LIABILITIES	<u>\$ 18,342</u>	<u>\$ 118,827</u>
NET ASSETS		
Net Assets without Donor Restrictions	\$ 427,807	\$ 85,605
Net Assets with Donor Restrictions	<u>279,435</u>	<u>20,285</u>
TOTAL NET ASSETS	<u>\$ 707,242</u>	<u>\$ 105,890</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 725,584</u>	<u>\$ 224,717</u>

The accompanying notes are an integral part of these statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2018 AND 2017

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2018</u>	<u>2017</u>
REVENUES		
Public Support:		
Corporations	\$ 69,277	\$ 99,676
Foundations	287,500	20,550
Government	100,000	150,000
Individuals	300,600	33,745
Events	14,369	29,000
Fundraising Events (Net of Expenses of \$64,915 and \$62,312)	172,525	138,829
Interest Income	0	181
In-Kind Donations	24,400	24,400
Net Assets Released from Restrictions	<u>20,285</u>	<u>3,000</u>
TOTAL REVENUES	<u>\$ 988,956</u>	<u>\$ 499,381</u>
EXPENSES		
Program Services	\$ 425,610	\$ 314,382
Management and General	145,920	91,327
Fundraising	<u>77,386</u>	<u>69,134</u>
TOTAL EXPENSES	<u>\$ 648,916</u>	<u>\$ 474,843</u>
NON-OPERATING INCOME		
Dividend Income	\$ 2,383	\$ 0
Unrealized Gain <Loss> on Investments	<u><221></u>	<u>0</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 342,202</u>	<u>\$ 24,538</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	\$ 279,435	\$ 20,285
Net Assets Released from Restrictions	<u><20,285></u>	<u><3,000></u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 259,150</u>	<u>\$ 17,285</u>
TOTAL CHANGE IN NET ASSETS	<u>\$ 601,352</u>	<u>\$ 41,823</u>
NET ASSETS AT BEGINNING OF YEAR	<u>105,890</u>	<u>64,067</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 707,242</u></u>	<u><u>\$ 105,890</u></u>

The accompanying notes are an integral part of these statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018				2017
	Program Services	Management and General	Fundraising	Total	
Advertising	\$ 53	\$ 694	\$ 53	\$ 800	\$ 1,508
Depreciation	0	0	0	0	0
Grants Paid Out	317,905	0	0	317,905	197,180
Insurance	0	4,513	0	4,513	4,757
Miscellaneous	200	1,424	1,206	2,830	2,772
Occupancy - In-Kind	0	24,400	0	24,400	24,400
Office Supplies	83	2,141	345	2,569	2,001
Payroll Taxes	6,985	2,597	5,025	14,607	12,425
Pension	3,167	2,894	1,584	7,645	5,434
Printing	808	200	1,230	2,238	1,473
Professional Fees:					
Accounting Fees	0	11,764	0	11,764	9,530
Consulting Fees	360	60,590	40	60,990	46,846
Salaries	96,008	31,370	67,903	195,281	163,262
Travel / Meals	41	1,815	0	1,856	2,005
Utilities	0	1,518	0	1,518	1,250
TOTAL EXPENSES	\$ 425,610	\$ 145,920	\$ 77,386	\$ 648,916	\$ 474,843

The accompanying notes are an integral part of these statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 601,352	\$ 41,823
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	0	0
Accounts Receivable	0	875
Grants Receivable	<33,150>	<20,850>
Prepaid Expenses	45	<25>
Accounts Payable	<103,318>	101,971
Accrued Expenses	2,833	<4,312>
Grants Payable	<u>0</u>	<u><4,980></u>
Net Cash Provided <Used> by Operating Activities	<u>\$ 467,762</u>	<u>\$ 114,502</u>
Net Increase <Decrease> in Cash	\$ 467,762	\$ 114,502
Cash Balance – Beginning of Year	<u>200,679</u>	<u>86,177</u>
Cash Balance – End of Year	<u>\$ 668,441</u>	<u>\$ 200,679</u>

The accompanying notes are an integral part of these statements.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES

The mission of The Forest Preserve Foundation, Inc. is to support the protection and restoration of native habitats within the Forest Preserve District of Cook County and to connect all residents of Cook County with this great natural resource. As a 501(c)(3) nonprofit organization, The Foundation raises funds to enable the Forest Preserve District to develop and implement programs and initiatives that are beyond the capacity of tax dollars. The Foundation was founded in November 2006.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Principle

Effective January 1, 2018, Forest Preserve Foundation, Inc. adopted Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Liquidity

Forest Preserve Foundation, Inc. has \$496,149 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$439,006, grants receivable of \$54,000, and prepaids of \$3,143. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for not-for-profit foundations.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

Subsequent Events

The financial statement was available to be issued on May 1, 2019 with subsequent events being evaluated through this date.

Income Tax Status

Forest Preserve Foundation, Inc. is a not-for-profit foundation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). There was no unrelated business income nor unrecognized tax benefits for the years ended December 31, 2018 and 2017. Each of the Foundation's prior three years remains subject to examination by the Internal Revenue Service.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily available for current use. Bank accounts are insured by the FDIC up to \$250,000. At December 31, 2018 and 2017, the Foundation had bank accounts whose cash balances exceeded the FDIC insured limit of \$120,210 and \$0.

Fixed Assets

The Foundation follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$1,000. Donated property and equipment is recorded at fair market value at the date of donation. Provisions for depreciation and amortization are made over the estimated useful lives of the assets on a straight-line basis.

Comparative Totals for Prior Year

The functional expenses include certain prior-year summarized comparative information in total but not by functional allocation. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Forest Preserve Foundation, Inc.'s financial statements for the year ended, December 31, 2017, from which the summarized information was derived.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain categories of expenses are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated based on estimates of time and effort.

FOREST PRESERVE FOUNDATION INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Restricted contributions whose restrictions are met in the same accounting period as that in which they are received are reported as unrestricted support.

NOTE 4. OPERATING LEASE COMMITMENTS

The Forest Preserve District of Cook County will provide free use of office space and furniture and equipment for the period of January 1, 2017 through December 31, 2019. The value of this in-kind donation for calendar years 2018 and 2017 was \$24,400 and \$24,400.

NOTE 5. IN-KIND DONATIONS

Revenue and corresponding expenses are recognized for in-kind donations, consisting of occupancy and fundraising events. Valuations are provided by the donors based upon their standard rates. Total in-kind donations for the years ended December 31, 2018 and 2017 were \$53,888 and \$52,586, respectively.

Various individuals volunteer their time in connection with various foundation activities. No amounts have been reflected in the financial statements for these services.

NOTE 6. GRANTS RECEIVABLE

Grants receivable are all due within one year and deemed to be fully collectible.

FOREST PRESERVE FOUNDATION INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN

The Foundation established a 403(B) tax sheltered annuity plan during 2018. Employees working 60% or more are eligible. The Foundation matches up to 5% of employee contributions. A total of \$7,645 and \$5,434 was contributed in 2018 and 2017, respectively.

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions available for specific purposes or time periods:

	<u>2018</u>	<u>2017</u>
Programs	<u>\$ 279,435</u>	<u>\$ 20,285</u>

NOTE 9. INVESTMENTS

Investments were as follows:

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Money Market	\$ 87,750	\$ 87,750	\$ 36,088	\$ 36,088
Certificate of Deposit	150,000	149,901	0	0
Common Stock	1,502	1,502	0	0
Mutual Funds	<u>50,596</u>	<u>50,596</u>	<u>0</u>	<u>0</u>
TOTAL INVESTMENTS	<u>\$ 289,848</u>	<u>\$ 289,749</u>	<u>\$ 36,088</u>	<u>\$ 36,088</u>

Forest Preserve Foundation investments at fair value with gains and losses included in the statements of activities. The fair values of investments are based on quoted market prices.