FOREST PRESERVE FOUNDATION, INC.

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2019

FOREST PRESERVE FOUNDATION, INC.

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DECEMBER 31, 2019

ICL, LLC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Forest Preserve Foundation, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 audits. 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 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 organization'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 organization'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.

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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 Forest Preserve Foundation, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ICL, LLC

ICL, LLC
Chicago, IL

September 30, 2020

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

ASSETS

Cash and cash equivalents	$ 92,800
Investments	246,634
Grants receivable	13,000
Prepaid expenses	2,332
Total assets	$ 354,766

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	$ 230
Accrued liabilities	21,439
Total liabilities	21,669
Net Assets:	
Net assets without donor restrictions	325,097
Net assets with donor restrictions	8,000
Total net assets	333,097
Total liabilities and net assets	$ 354,766

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Corporate contributions	$ 87,433	$ -	$ 87,433
Foundations	18,750	-	18,750
Individual contributions	78,292	8,000	86,292
Forest Preserve District support	100,000	-	100,000
Special events	230,339	-	230,339
Investment income	6,895	-	6,895
In-kind contributions	24,400	-	24,400
Other income	46	-	46
Net assets released from restrictions	279,435	(279,435)	-
Total Revenue and Support	825,590	(271,435)	554,155
EXPENSES:			
Program services	641,934	-	641,934
Supporting services:			
Management and general	100,761	-	100,761
Fundraising	185,605	-	185,605
Total Expenses	928,300	-	928,300
CHANGE IN NET ASSETS	(102,710)	(271,435)	(374,145)
NET ASSETS, BEGINNING OF YEAR	427,807	279,435	707,242
NET ASSETS, END OF YEAR	$ 325,097	$ 8,000	$ 333,097

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fundraising	Total
Salaries, wages and benefits	$ 117,736	$ 33,737	$ 92,586	$ 244,059
Employee benefits	3,835	1,918	1,918	7,671
Payroll taxes	8,369	3,426	6,689	18,484
Grants paid to other organizations	501,049	-	-	501,049
Consultants	-	37,787	5,415	43,202
Accounting	2,325	5,925	4,650	12,900
Occupancy - In-kind	6,100	6,100	12,200	24,400
Marketing and advertising	-	1,415	70	1,485
Travel and meetings	1,551	787	533	2,871
Special event direct expenses	-	-	58,104	58,104
Insurance	600	2,879	1,201	4,680
Printing	-	2,198	177	2,375
Office supplies	334	4,036	2,063	6,432
Miscellaneous	35	553	-	588
Total expenses	$ 641,934	$ 100,761	$ 185,605	$ 928,300

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019

Cash Flows From Operating Activities:	
Change in net assets	$ (374,145)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized and unrealized gains on investments	(1,022)
Change in assets and liabilities:	
Grants receivable	41,000
Prepaid expenses	811
Accounts payable	(1,195)
Accrued liabilities	4,522
Net cash used in operating activities	(330,029)
Cash Flows From Investing Activities:	
Purchase of investments	(5,850)
Sales of Investments	50,000
Net cash provided by investing activities	44,150
Cash Flows From Financing Activities:	-
Net decrease in cash and cash equivalents	(285,879)
Cash and cash equivalents, Beginning of Year	378,679
Cash and cash equivalents, End of Year	$ 92,800

See accompanying notes to the financial statements.

NOTE 1 – NATURE OF ORGANIZATION

The Forest Preserve Foundation, Inc. ("Foundation") is an Illinois nonprofit corporation (founded in 2006) that serves 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. The Foundation raises funds to enable the Forest Preserve District of Cook County to develop and implement programs and initiatives that are beyond the capacity of tax dollars.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements of Foundation have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Accounting Policies

Foundation follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, results of activities, and cash flows. Reference to Generally Accepted Accounting Principles (GAAP) in these footnotes is to the *FASB Accounting Standards Codification*, sometimes referred to as the Codification or ASC.

Financial Statement Presentation

Foundation presents financial information pursuant to FASB Accounting Standards Codification *Not-for-Profit Entities: Presentation of Financial Statements (Subtopic 205),* which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified into distinct net asset categories according to externally (donor) imposed restrictions. In addition, the Foundation is required to present a statement of cash flows.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions are net assets without donor restrictions. These assets include the revenues and expenses of the primary operations of the Foundation. Donor restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial Statement Presentation - Continued

Net Assets With Donor Restrictions – Net assets subject to donor or grant-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time are classified as 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 statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Foundation considers cash and cash equivalents to include checking, savings and money market accounts with maturities of less than one year.

Investments

The Foundation invests in various marketable securities. Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair value in the statement of financial position. Investment income, realized gains (losses), and change in unrealized gains (losses) are reflected in the statements of activities. Investments received as contributions are recorded at fair value at the date of receipt. The Foundation's investment portfolio is subject to various risks, such as interest rate, credit, and overall market volatility. Because of these risks, it is possible that change in the fair value of investments may occur and that such changes could materially affect the Foundation's financial statements.

Agency transactions

The Foundation may act as an agent in certain circumstances by receiving cash contributions from individuals, businesses and other organizations and is not granted variance power. These such transactions are ultimately transferred to the designated recipients based on the wishes of the donor and are recorded on the statement of financial position as amounts held for others.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specified by the donor. Contributions are recognized as revenues when the contributions are awarded. Revenue from grants is considered earned when it is expended in accordance with the agreement.

In-Kind Contributions and Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to the Foundation. These volunteers have a significant impact on making the ministry effective. However, the value of these goods and services is not reflected in the financial statements because it does not meet the definition of donated services required to be recorded.

Grants and Accounts Receivable

Grants and accounts receivable represent unconditional commitments made by donors. Receivables that are expected to be collected in less than one year are reported at net realizable value. Receivables that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. Management determines a reserve for doubtful pledges based on estimates of collectability with certain donors with past experience as well as a general reserve for the remaining pledge amount. Based on a review of outstanding receivables, management determined that an allowance for doubtful accounts was not necessary at December 31, 2019.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Tax-Exempt Status

The Foundation is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance the Foundation may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to potential sources of unrelated business taxable income. There were no unrecognized tax benefits identified or recorded as liabilities for the reporting period presented in the financial statements. As of and for the years ended December 31, 2019, management has determined that there are no uncertain tax positions. The Foundation files Form 990 in the U.S. federal jurisdiction and the State of Illinois.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, prepaid expenses, and accrued liabilities approximate fair value because of the short-term maturity of these financial instruments.

Functional Allocation of Expenses

The Foundation classifies its expenses into their functional categories. Expenses directly identified with a functional area are charged to that area and, where expenses affect more than one area, they are allocated to the respective areas based on estimates made by management.

Subsequent Events

The Foundation has evaluated subsequent events for potential recognition and/or disclosures through September 30, 2020, the date the financial statements were available to be issued.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash checking accounts, which from time to time may exceed the federally insured limits of $250,000. The Foundation has not experienced any losses in such accounts and believes that it is not exposed to any significant risk on cash and cash equivalents.

NOTE 4 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

Pursuant to FASB Accounting Standards Codification *"Fair Value Measurements and Disclosures (Topic 820)"*, the Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities.

- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

- Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

NOTE 4 – FAIR VALUE MEASUREMENTS AND DISCLOSURES - Continued

The following table presents financial instruments that are measured at fair value on a recurring basis and are subject to disclosure requirements of ASC 821-10 as of December 31, 2019:

	Total	Level 1	Level 2	Level 3
ASSETS				
Money market funds	$ 145,029	$ -	$ 145,029	$ -
Certificate of deposits	50,050	-	50,050	-
Short-term funds	51,555	-	51,555	-
Total	$ 246,634	$ -	$ 246,634	$ -
LIABILITIES	$ -	$ -	$ -	$ -

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value:

- Short-term investments - The fair value of short-term investments, consisting primarily of government reserve funds, money market funds and certificates of deposit, is classified as Level 2 as these funds are not traded on a regular basis.

- Equity securities - Investments in equity securities are measured at fair value using quoted market prices. They are classified as Level 1 as they are traded in an active market for which closing stock prices are readily available.

NOTE 5 – INVESTMENTS

Investments, stated at fair value, at December 31, 2019 include:

Money market funds	$	145,029
Certificates of deposit		50,050
Mutual funds		51,555
Total	$	246,634

Investment return as reported on the statement of activities includes:

Dividend and interest income	$	5,873
Net realized and unrealized gains		1,022
Total return	$	6,895

NOTE 6 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting use, within one year as of December 31, 2019 are:

Financial assets:		
Cash and cash equivalents	$	92,800
Investments		246,634
Grants receivable		13,000
Total financial assets		352,434
Amount available for general expenditures within one year	$	352,434

NOTE 7 –NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2019 ($8,000) represents resources for 2020 operating purposes. During 2019, net assets were released into operations ($279,435) as donor restrictions and programmatic spending purposes were achieved.

NOTE 8 – IN-KIND CONTRIBUTIONS AND EXPENSES

In-kind contributions and expenses, which are clearly measurable and significant in amount, are included at fair market value in the financial statements as support, revenue, and expenses. For the year ended December 31, 2019 in-kind contributions ($24,400) were recorded as office rent ($24,400) and proceeds from donated goods and services from special events ($23,639).

NOTE 9 – LEASE COMMITMENT

The Foundation leases office space at no cost from the Forest Preserve District of Cook County. The original agreement commenced in 2015 and has been extended in November 2019 to December 31, 2020. The value of this in-kind donation for rent expense in 2019 was $24,400 and has been recorded as such in the statement of functional expenses.

NOTE 10 – PENSION PLAN

The Foundation sponsors a 403(b) tax sheltered annuity plan whereby employees that work greater than 60% of full-time status are eligible. The Foundation matches up to 5% of employee contributions. A total of $7,671 was contributed by the Foundation in 2019.

NOTE 11 – NEW ACCOUNTING PRONOUCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842).* This standard requires increased transparency and comparability among organizations by requiring them to recognize lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The provisions of this standard are effective for fiscal years beginning after December 15, 2020 and early adoption is permitted. Management is currently evaluating the impact of adopting this standard.

NOTE 11 – NEW ACCOUNTING PRONOUCEMENTS - Continued

On January 1, 2019, the Foundation adopted ASU No. 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash*. This standard requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The provisions of this standard are effective for fiscal years beginning after December 15, 2017 for public business entities and December 31, 2018 for all other entities and early adoption is permitted. The adoption of this standard had no material effect on the Foundation's financial statements for the year ended December 31, 2019.

On January 1, 2019 the Foundation adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, ASU 2018-08 clarified the guidance in ASC 958 on how entities determine whether to account for a transfer of assets as an exchange transaction under other guidance (e.g., ASC 606) or a contribution. The FASB also clarified that a contribution is conditional if the agreement includes both a barrier (or barriers) that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. ASU 2018-08 is effective for transactions in which the entity serves as the resource recipient in annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption of ASU 2018-08 is permitted. The adoption of this standard had no material effect on the Foundation's financial statements for the year ended December 31, 2019.

NOTE 12 – SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization (WHO) recognized the novel strain of coronavirus, COVID-19, as a pandemic. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventive or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes. Temporary closures of businesses have been ordered and numerous other businesses have temporarily closed voluntarily. Given the uncertainty regarding the spread of this coronavirus, the related financial impact cannot be reasonably estimated at this time.