

FOREST PRESERVE FOUNDATION, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2020

FOREST PRESERVE FOUNDATION, INC.

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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, 2020, 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.

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, 2020, 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

October 15, 2021

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 108,316
Investments	208,464
Pledges receivable	4,000
Prepaid expenses	<u>2,436</u>
Total assets	<u>\$ 323,216</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued liabilities	\$ 5,167
Note payable	<u>50,130</u>
Total liabilities	<u>55,297</u>
Net Assets:	
Net assets without donor restrictions	251,419
Net assets with donor restrictions	<u>16,500</u>
Total net assets	<u>267,919</u>
Total liabilities and net assets	<u>\$ 323,216</u>

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Corporate contributions	\$ 63,700	\$ -	\$ 63,700
Foundations	7,250	135,000	142,250
Individual contributions	50,890	-	50,890
Forest Preserve District support	100,000	-	100,000
Special events	153,804	-	153,804
Investment income	1,830	-	1,830
In-kind contributions	24,400	-	24,400
Other income	7,920	-	7,920
Net assets released from restrictions	126,500	(126,500)	-
Total Revenue and Support	<u>536,294</u>	<u>8,500</u>	<u>544,794</u>
EXPENSES:			
Program services	349,304	-	349,304
Supporting services:			
Management and general	102,586	-	102,586
Fundraising	158,082	-	158,082
Total Expenses	<u>609,972</u>	<u>-</u>	<u>609,972</u>
CHANGE IN NET ASSETS	(73,678)	8,500	(65,178)
NET ASSETS, BEGINNING OF YEAR	<u>325,097</u>	<u>8,000</u>	<u>333,097</u>
NET ASSETS, END OF YEAR	<u><u>\$ 251,419</u></u>	<u><u>\$ 16,500</u></u>	<u><u>\$ 267,919</u></u>

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages and benefits	\$ 121,636	\$ 31,766	\$ 94,641	\$ 248,043
Employee benefits	2,098	1,652	1,049	4,799
Payroll taxes	9,184	3,880	7,114	20,178
Grants paid to other organizations	180,758	-	-	180,758
Consultants	8,550	39,046	-	47,596
Accounting	5,565	9,782	2,783	18,130
Occupancy - In-kind	12,200	6,100	6,100	24,400
Marketing and advertising	175	1,588	175	1,938
Travel and meetings	230	575	643	1,448
Special event direct expenses	5,950	132	44,041	50,123
Insurance	2,240	1,863	1,120	5,223
Printing	-	610	-	610
Office and supplies	-	3,913	57	3,970
Information technology	718	359	359	1,436
Legal	-	1,320	-	1,320
Total expenses	<u>\$ 349,304</u>	<u>\$ 102,586</u>	<u>\$ 158,082</u>	<u>\$ 609,972</u>

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020

Cash Flows From Operating Activities:

Change in net assets	\$ (65,178)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized and unrealized gains on investments	(84)
Change in assets and liabilities:	
Pledges receivable	9,000
Prepaid expenses	(104)
Accounts payable and accrued liabilities	<u>(16,502)</u>
Net cash used in operating activities	<u>(72,868)</u>

Cash Flows From Investing Activities:

Purchase of investments	(1,819)
Sales of Investments	<u>40,073</u>
Net cash provided by investing activities	<u>38,254</u>

Cash Flows From Financing Activities:

SBA PPP loan proceeds	<u>50,130</u>
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Net increase in cash and cash equivalents 15,516

Cash and cash equivalents, Beginning of Year 92,800

Cash and cash equivalents, End of Year \$ 108,316

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

YEAR ENDED DECEMBER 31, 2020

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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

YEAR ENDED DECEMBER 31, 2020

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.

Pledges and Accounts Receivable

Pledges 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, 2020.

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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

YEAR ENDED DECEMBER 31, 2020

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, 2020, 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 costs of providing program services have been summarized on a functional basis in the statement of activities. Expenses that can be identified with program expenses are allocated directly according to their natural classification. Accordingly, certain costs have been allocated between the program and supporting services benefited as follows:

<u>Expenses</u>	<u>Method of Allocation</u>
Salary and benefits	Time and effort
Professional services	Time and effort

Subsequent Events

The Foundation has evaluated subsequent events for potential recognition and/or disclosures through October 15, 2021, the date the financial statements were available to be issued.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

YEAR ENDED DECEMBER 31, 2020

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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

YEAR ENDED DECEMBER 31, 2020

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, 2020:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
ASSETS				
Money market funds	\$ 106,688	\$ -	\$ 106,688	\$ -
Certificate of deposits	50,080	-	50,080	-
Short-term funds	51,696	-	51,696	-
Total	<u>\$ 208,464</u>	<u>\$ -</u>	<u>\$ 208,464</u>	<u>\$ -</u>
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

YEAR ENDED DECEMBER 31, 2020

NOTE 5 – INVESTMENTS

Investments, stated at fair value, at December 31, 2020 include:

Money market funds	\$	106,688
Certificates of deposit		50,080
Mutual funds		51,696
Total	\$	<u>208,464</u>

Investment return as reported on the statement of activities includes:

Dividend and interest income	\$	1,746
Net realized and unrealized gains		84
Total return	\$	<u>1,830</u>

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, 2020 are:

Financial assets:

Cash and cash equivalents	\$	108,316
Investments		208,464
Pledges receivable		4,000
Total financial assets		<u>320,780</u>
Less: Financial assets held to meet donor-imposed restrictions		<u>(16,500)</u>
Amount available for general expenditures within one year	\$	<u>304,280</u>

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2020 (\$16,500) represents resources for Conservation Corps programmatic activities in fiscal 2021. During 2020, net assets were released into operations (\$126,500) as donor restrictions and programmatic spending purposes were achieved.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

YEAR ENDED DECEMBER 31, 2020

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, 2020 in-kind contributions were recorded as office rent (\$24,400) and proceeds from donated goods and services from special events (\$19,880).

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 to December 31, 2021. 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 \$4,196 was contributed by the Foundation in 2020.

NOTE 11 – NEW ACCOUNTING PRONOUCEMENTS

On January 1, 2020, the Foundation adopted, ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*: as amended as management believes that the standard improves the usefulness and understandability of the Foundation's financial reporting. ASU 2014-09, as amended, is effective for annual reporting periods beginning after December 15, 2019. Analysis of the various provisions of this standard has resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

YEAR ENDED DECEMBER 31, 2020

NOTE 12 – SBA PPP LOAN PROCEEDS

In May 2020, the Foundation was granted a loan for \$50,130 pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loan may be prepaid the Foundation at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, rent obligations, and covered utility payments. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. If the SBA does not confirm forgiveness of the loan or only partially confirms loan forgiveness, the Foundation will be obligated to repay the unforgiven loan balance within two years (or five years of the original note in amended as allowed under the PPP Flexibility Act) from the loan funding date plus interest of 1% per annum. The Foundation was granted full forgiveness for the PPP loan on April 20, 2021.

NOTE 13 – GRANT COMMITMENT

During 2020, the Foundation was awarded a \$324,994 grant from the National Fish and Wildlife Foundation. The Foundation will utilize those funds for the “Restoration of Sweet Woods in the Forest Preserves of Cook County”. The Cook County Forest Preserve will serve as a subgrantee for a subaward not exceed \$252,500, with an expiration date of October 10, 2022. There are no grants payable amounts recorded as of December 31, 2020, as the subaward is only contingent upon receipt of the National Fish and Wildlife Foundation Grant.

NOTE 14 – UNCERTAINTY

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.