

**FOREST PRESERVE FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**YEAR ENDED DECEMBER 31, 2021**

**FOREST PRESERVE FOUNDATION, INC.**

**TABLE OF CONTENTS**

**DECEMBER 31, 2021**

	<u>Pages</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14



## **INDEPENDENT AUDITORS' REPORT**

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

### ***Opinion***

We have audited the accompanying financial statements of the Forest Preserve Foundation, Inc. ("Foundation"), which comprise the statement of financial position as of December 31, 2021, 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 Foundation as of December 31, 2021, 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.

### ***Basis for Opinion***

We conducted our audit 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 Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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 organization'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 organization'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 organization'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, significant audit findings, and certain internal control related matters that we identified during the audit.

ICL, LLC

ICL, LLC  
Chicago, IL

October 28, 2022

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

**ASSETS**

Cash and cash equivalents	\$ 255,834
Investments	208,653
Pledges receivable	180,170
Prepaid expenses	<u>8,993</u>
Total assets	<u>\$ 653,650</u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable and accrued liabilities	\$ 167,196
Note payable	<u>-</u>
Total liabilities	<u>167,196</u>
Net Assets:	
Net assets without donor restrictions	486,454
Net assets with donor restrictions	<u>-</u>
Total net assets	<u>486,454</u>
Total liabilities and net assets	<u>\$ 653,650</u>

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>REVENUE AND SUPPORT:</b>			
Corporate contributions	\$ 86,250	\$ -	\$ 86,250
Foundations	258,069	-	258,069
Individual contributions	42,667	-	42,667
Forest Preserve District support	100,000	-	100,000
Special events	199,820	-	199,820
Investment income	190	-	190
In-kind contributions	24,400	-	24,400
Other income	114	-	114
Net assets released from restrictions	16,500	(16,500)	-
Total Revenue and Support	<u>728,010</u>	<u>(16,500)</u>	<u>711,510</u>
<b>EXPENSES:</b>			
Program services	394,934	-	394,934
Supporting services:			
Management and general	114,894	-	114,894
Fundraising	83,404	-	83,404
Total Expenses	<u>593,232</u>	<u>-</u>	<u>593,232</u>
<b>OTHER REVENUE:</b>			
Gain on extinguishment of debt - SBA PPP loan forgiveness	<u>100,257</u>	<u>-</u>	<u>100,257</u>
CHANGE IN NET ASSETS	235,035	(16,500)	218,535
NET ASSETS, BEGINNING OF YEAR	<u>251,419</u>	<u>16,500</u>	<u>267,919</u>
NET ASSETS, END OF YEAR	<u>\$ 486,454</u>	<u>\$ -</u>	<u>\$ 486,454</u>

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages and benefits	\$ 136,997	\$ 34,726	\$ 29,357	\$ 201,080
Payroll taxes	10,405	2,673	2,230	15,308
Grants paid to other organizations	234,359	-	-	234,359
Consultants	-	24,230	-	24,230
Accounting	-	17,000	-	17,000
Occupancy - In-kind	12,200	6,100	6,100	24,400
Marketing and advertising	326	7,270	-	7,596
Travel and meetings	472	59	39	570
Special event direct expenses	-	-	45,428	45,428
Insurance	-	5,575	-	5,575
Printing	-	-	-	-
Office and supplies	175	14,682	250	15,107
Information technology	-	1,816	-	1,816
Legal	-	763	-	763
Total expenses	<u>\$ 394,934</u>	<u>\$ 114,894</u>	<u>\$ 83,404</u>	<u>\$ 593,232</u>

See accompanying notes to the financial statements.

FOREST PRESERVE FOUNDATION, INC.

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021

**Cash Flows From Operating Activities:**

Change in net assets	\$ 218,535
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Gain on extinguishment of debt - SBA PPP loan forgiveness	(100,257)
Change in assets and liabilities:	
Pledges receivable	(176,170)
Prepaid expenses	(6,557)
Accounts payable and accrued liabilities	162,029
Net cash provided by operating activities	<u>97,580</u>

**Cash Flows From Investing Activities:**

Purchase of investments	<u>(189)</u>
-------------------------	--------------

**Cash Flows From Financing Activities:**

SBA PPP loan proceeds	<u>50,127</u>
-----------------------	---------------

**Net increase in cash and cash equivalents** 147,518

**Cash and cash equivalents, Beginning of Year** 108,316

**Cash and cash equivalents, End of Year** \$ 255,834

See accompanying notes to the financial statements.



FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

**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, 2021

**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, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Revenue Recognition - Contributions

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.

Revenue from Contracts with Customers

The Foundation usually enters into contracts that have multiple performance obligations, one or more of which may be delivered subsequent to the delivery of other performance obligations. These performance obligations may include sales of event tickets or contracted services. Revenue for concerts and events is recognized on the date of the performance or special event. Revenue for contracted services is recognized upon satisfactory deliverance of such services to customers. The Foundation believes these policies best represents the pattern of transfers to customers. The Foundation allocates the transaction price based on the estimated relative standalone selling prices of the promised events or services underlying each performance obligation. The Foundation determines standalone selling prices based on the price at which the performance obligation is sold separately. The Foundation estimates the standalone selling price taking into account available information such as market conditions and internally approved standard pricing related to the performance obligations.

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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

YEAR ENDED DECEMBER 31, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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, 2021.

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.

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, 2021, 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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

YEAR ENDED DECEMBER 31, 2021

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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 28, 2022, 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.

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

YEAR ENDED DECEMBER 31, 2021

**NOTE 4 – FAIR VALUE MEASUREMENTS AND DISCLOSURES - Continued**

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.

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, 2021:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>ASSETS</b>				
Money market funds	\$ 156,952	\$ -	\$ 156,952	\$ -
Short-term funds	51,701	-	51,701	-
Total	<u>\$ 208,653</u>	<u>\$ -</u>	<u>\$ 208,653</u>	<u>\$ -</u>
<b>LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

YEAR ENDED DECEMBER 31, 2021

**NOTE 4 – FAIR VALUE MEASUREMENTS AND DISCLOSURES - Continued**

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, 2021 include:

Money market funds	\$ 156,952
Mutual funds	51,701
Total	<u>\$ 208,653</u>

Investment return as reported on the statement of activities includes:

Dividend and interest income	\$ 268
Net realized and unrealized loss	(78)
Total return	<u>\$ 190</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, 2021 are:

Financial assets:	
Cash and cash equivalents	\$ 255,834
Investments	208,653
Pledges receivable	180,170
Total financial assets	<u>644,657</u>
Less: Financial assets held to meet donor-imposed restrictions	-
Amount available for general expenditures within one year	<u>\$ 644,657</u>

FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

YEAR ENDED DECEMBER 31, 2021

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

During 2021, net assets were released into operations (\$16,500) as donor restrictions and Conservation Corps programmatic activity 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, 2021 in-kind contributions were recorded as office rent (\$24,400) and proceeds from donated goods and services from special events (\$25,000).

**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, 2022. The value of this in-kind donation for rent expense in 2021 was \$24,400 and has been recorded as such in the statement of functional expenses.

**NOTE 10 – 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, 2021 and early adoption is permitted. Management is currently evaluating the impact of adopting this standard.

**NOTE 11 – 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. In April 2021, a second PPP loan (\$50,127) was granted by the SBA to the Foundation. Both PPP loans were fully forgiven in 2021 and has been classified as Gain on extinguishment of debt on the statement of activities for \$100,257.



FOREST PRESERVE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

YEAR ENDED DECEMBER 31, 2021

**NOTE 12 – 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. Grants payable amounts recorded as of December 31, 2021 was \$161,324 in the statement of financial position.

**NOTE 13 – 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.