

COSLEY FOUNDATION, INC.  
WHEATON, ILLINOIS

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ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2016

**COSLEY FOUNDATION, INC.**

**TABLE OF CONTENTS**

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	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1 - 2</b>
 <b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	3
Statement of Activities	
For the Year Ended December 31, 2016.....	4
For the Year Ended December 31, 2015.....	5
Statement of Cash Flows .....	6
Notes to the Financial Statements.....	7 - 10
 <b>SUPPLEMENTAL SCHEDULES</b>	
Schedule of Revenue and Support – Budget and Actual .....	11
Schedule of Expenses – Budget and Actual .....	12

# **INDEPENDENT AUDITORS' REPORT**



## **INDEPENDENT AUDITORS' REPORT**

March 27, 2017

Board of Directors  
Cosley Foundation, Inc.  
Wheaton, Illinois

We have audited the accompanying financial statements of the Cosley Foundation, Inc., which comprise the Statement of Financial Position as of December 31, 2016 and 2015, and the related Statement of Activities 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Foundation as of and for the year ended December 31, 2015, and the related notes to the financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. 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 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 Foundation'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 Foundation'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 opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Cosley Foundation Inc., Illinois, as of December 31, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cosley Foundation, Inc., Illinois', basic financial statements. The individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

  
LAUTERBACH & AMEN, LLP

## **FINANCIAL STATEMENTS**

**COSLEY FOUNDATION, INC.**

**Statement of Financial Position  
December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 800,155	\$ 667,344
Receivables - net of allowance		
Accounts	31,129	5,526
Other	42	21,744
Inventory	15,227	11,317
Prepays	600	50
	<hr/>	<hr/>
TOTAL ASSETS	\$ 847,153	\$ 705,981
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES</b>		
Accounts payable	\$ 269,445	\$ 17,118
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Temporarily restricted	83,106	81,156
Unrestricted	494,602	607,707
TOTAL NET ASSETS	577,708	688,863
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TOTAL LIABILITIES AND NET ASSETS	\$ 847,153	\$ 705,981
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The notes to the financial statements are an integral part of this statement.

**COSLEY FOUNDATION, INC.**

**Statement of Activities  
For the Fiscal Year Ended December 31, 2016**

	Totals	Unrestricted	Temporarily Restricted
<b>Revenue and support</b>			
Fund raising events			
Festival of lights/Christmas sales	\$ 194,332	\$ 194,332	\$ -
Cosley Classic	74,751	74,751	-
Fall Fest/pumpkin sales	24,882	24,882	-
Run for the Animals	93,841	93,841	-
Gift shop and concession sales	181,430	181,430	-
Paws for Breakfast	6,082	6,082	-
Total fund raising events	<u>575,318</u>	<u>575,318</u>	<u>-</u>
Special event revenue			
Lincoln Marsh	-	(352)	352
Less cost of direct benefits to donors	-	-	-
Total special event revenue	<u>-</u>	<u>(352)</u>	<u>352</u>
Memberships	26,486	26,486	-
Contributions	38,664	38,664	-
Interest earned	668	585	83
Net assets released from restrictions	-	12,008	(12,008)
Other revenue	829	829	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>641,965</u>	<u>653,538</u>	<u>(11,573)</u>
<b>Expenses</b>			
Fund raising events			
Festival of Lights/Christmas sales	95,034	95,034	-
Cosley Classic	38,188	38,188	-
Fall Fest/pumpkin sales	15,664	15,664	-
Run for the Animals	44,078	44,078	-
Cost of goods sold	67,534	67,534	-
Paws for Breakfast	2,838	2,838	-
Total fund raising events	<u>263,336</u>	<u>263,336</u>	<u>-</u>
Program services			
Contribution to Wheaton Park District	<u>318,750</u>	<u>318,750</u>	<u>-</u>
Management and general			
Administrative	163,944	163,944	-
Bank service charges	8	8	-
Credit card service fees	7,082	7,082	-
Total management and general	<u>171,034</u>	<u>171,034</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>753,120</u>	<u>753,120</u>	<u>-</u>
<b>CHANGES IN NET ASSETS</b>	<u>(111,155)</u>	<u>(99,582)</u>	<u>(11,573)</u>
<b>NET ASSETS - BEGINNING</b>	<u>688,863</u>	<u>594,184</u>	<u>94,679</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 577,708</u>	<u>\$ 494,602</u>	<u>\$ 83,106</u>

The notes to the financial statements are an integral part of this statement.



**COSLEY FOUNDATION, INC.**

**Statement of Activities  
For the Fiscal Year Ended December 31, 2015**

	Totals	Unrestricted	Temporarily Restricted
Revenue and support			
Fund raising events			
Festival of lights/Christmas sales	\$ 184,087	\$ 184,087	\$ -
Cosley Classic	75,687	75,687	-
Fall Fest/pumpkin sales	22,130	22,130	-
Run for the Animals	126,066	114,066	12,000
Gift shop and concession sales	165,457	165,457	-
Paws for Breakfast	6,792	6,792	-
Total fund raising events	<u>580,219</u>	<u>568,219</u>	<u>12,000</u>
Special event revenue			
Lincoln Marsh	17,170	-	17,170
Less cost of direct benefits to donors	<u>(8,251)</u>	<u>-</u>	<u>(8,251)</u>
Total special event revenue	<u>8,919</u>	<u>-</u>	<u>8,919</u>
Memberships	22,798	22,798	-
Contributions	45,407	45,407	-
Interest earned	578	532	46
Net assets released from restrictions	-	3,412	(3,412)
Other revenue	<u>319</u>	<u>319</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>658,240</u>	<u>640,687</u>	<u>17,553</u>
Expenses			
Fund raising events			
Festival of Lights/Christmas sales	89,417	89,417	-
Cosley Classic	40,364	40,364	-
Fall Fest/pumpkin sales	14,122	14,122	-
Run for the Animals	53,057	53,057	-
Cost of goods sold	67,881	67,881	-
Western/Grazing Festival	200	200	-
Paws for Breakfast	2,217	2,217	-
Total fund raising events	<u>267,258</u>	<u>267,258</u>	<u>-</u>
Program services			
Contribution to Wheaton Park District	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Management and general			
Administrative	195,822	195,822	-
Bank service charges	(67)	(67)	-
Credit card service fees	6,144	6,144	-
Total management and general	<u>201,899</u>	<u>201,899</u>	<u>-</u>
TOTAL EXPENSES	<u>554,157</u>	<u>554,157</u>	<u>-</u>
CHANGES IN NET ASSETS	104,083	86,530	17,553
NET ASSETS - BEGINNING	<u>584,780</u>	<u>521,177</u>	<u>63,603</u>
NET ASSETS - ENDING	<u>\$ 688,863</u>	<u>\$ 607,707</u>	<u>\$ 81,156</u>

The notes to the financial statements are an integral part of this statement.

**COSLEY FOUNDATION, INC.**

**Statement of Cash Flows  
For the Fiscal Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (111,155)	\$ 104,083
Adjustments to reconcile change in net assets to net cash from operating activities:		
Accounts receivable	(3,901)	6,365
Inventory	(3,910)	(1,510)
Prepays	(550)	(50)
Accounts payable	252,327	673
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>132,811</b>	<b>109,561</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>667,344</b>	<b>557,783</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 800,155</b>	<b>\$ 667,344</b>

The notes to the financial statements are an integral part of this statement.

# **COSLEY FOUNDATION, INC.**

## **Notes to the Financial Statements December 31, 2016**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Foundation Purpose**

The Cosley Foundation, Inc. (Foundation), incorporated under the Not-for-profit Corporation Act of the State of Illinois, is engaged in fund-raising activities solely to benefit the Cosley Zoo (Zoo). The Zoo is a historical zoo, farm, museum, nature center and outdoor educational facility, owned and operated by the Wheaton Park District. The activities of the Zoo include the maintaining of a historic railroad station, barn, aviaries, other buildings and grounds, feeding and veterinary care of animals, and sponsoring of educational programs. The aim of the Foundation is to provide the Zoo with a stable, ascertainable funding base.

#### **Basis of Accounting**

The Foundation utilizes the accrual method of accounting, which recognizes revenues when earned and expenses when incurred. These financial statements have been prepared to focus on the Foundation as a whole. Balances and transactions are presented according to the existence or absence of donor imposed restrictions. This is accomplished by classifying fund balances and transactions into three classes of net assets: permanently restricted, temporarily restricted, and unrestricted.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently by the Foundation.

Temporarily restricted net assets – Net assets subject to donor imposed stipulations that may be met by actions of the Foundation, or by the passage of time.

Unrestricted net assets – Net assets not subject to donor imposed stipulations. Revenues are reported in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation, or by law. Expiration of temporary restrictions on net assets (i.e. the donor imposed stipulated purpose has been fulfilled, or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**COSLEY FOUNDATION, INC.**

**Notes to the Financial Statements  
December 31, 2016**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Cash and Cash Equivalents**

For the purpose of the Statement of Financial Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

**Receivables**

In the Statement of Financial Position, receivables are stated at the amount billed. The Foundation does not charge late fees on amounts past due. An allowance for uncollectible accounts has not been established since management believes all accounts are substantially collectible. Management's periodic evaluation of the collectability of receivables is based on past experience, known and inherent risks in the receivables, adverse situations that may affect the obligee's ability to repay, and current economic conditions. Receivables deemed uncollectible are charged to expense.

**Prepays/Inventories**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

**Contributions**

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

Gifts of property and equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Income Taxes**

The Foundation has been granted a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Foundation is required to pay Federal and State income taxes only on net unrelated business income. There is no such income for the current year.

**COSLEY FOUNDATION, INC.**

**Notes to the Financial Statements  
December 31, 2016**

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**NOTE 2 – DETAIL NOTES ON ALL FUNDS**

**Cash and Cash Equivalents**

At December 31, 2016, cash and cash equivalents included \$800,155 held in commercial banks of which the entire balance was insured by the Federal Deposit Insurance Corporation.

**Net Assets**

Permanently restricted net assets – The Foundation currently has no permanently restricted net assets.

Temporarily restricted net assets – Temporarily restricted net assets balances at December 31, 2016 and December 31, 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Lincoln Marsh renovation and development	\$ 83,106	\$ 69,156
Sponsorship - Run for Animals	-	12,000
	<u>                    </u>	<u>                    </u>
Lincoln Marsh renovation and development	<u>\$ 83,106</u>	<u>\$ 81,156</u>

The source of net assets released from temporary donor restrictions by incurring expenses satisfying the restriction, or by the occurrence of events specified by the donor, was as follows for the years ended December 31, 2016 and December 31, 2015:

	<u>2016</u>	<u>2015</u>
Lincoln March expenses	\$ 8	\$ 3,412
Sponsorship - Run for Animals	12,000	-
	<u>                    </u>	<u>                    </u>
	<u>\$ 12,008</u>	<u>\$ 3,412</u>

**COSLEY FOUNDATION, INC.**

**Notes to the Financial Statements  
December 31, 2016**

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**NOTE 2 – DETAIL NOTES ON ALL FUNDS – Continued**

**Contributed Goods/Services**

The Foundation recognized contribution revenue and related expenses for certain goods and services received at fair value. For the years ended December 31, 2016 and December 31, 2015, those included the following:

	2016	2015
Accounting services	\$ -	\$ 4,575
Use of golf course	9,360	9,348
Equipment, supplies, and other services for fundraising events	21,116	22,709
	<u>\$ 30,476</u>	<u>\$ 36,632</u>

In addition, volunteers donated a significant number of hours, estimated at a value of approximately \$9,612 and \$9,612 for the years ended December 31, 2016 and December 31, 2015, respectively, in the Foundation's fundraising efforts, which is not reflected in the accompanying financial statements.

**Donation Agreement**

On October 24, 2012, the Foundation entered into a donation agreement with the Wheaton Park District to fund the purchase of certain real property which will be partially used for administrative and operational functions of the Cosley Zoo. The agreement is an intention to give, which provides a sum of \$800,000 to be paid in 16 annual installments of \$50,000 commencing on July 15, 2013 through and including July 15, 2028. The current year installment is included as part of program service expense. Future installments will be recorded as an expense in the year the contribution is made.

On September 15, 2016, the Foundation entered into a donation agreement with the Wheaton Park District to fund the costs associated with the contraction of the Animal Welcome Center/Quarantine Facility for Cosley Zoo. The agreement is an intention to give, which provides a sum of \$250,000 donated in December 2016 and \$25,000 donated annually beginning December 2017 until the donation balance is reached in December 2026. The current year installment is included as part of program service expense. Future installments will be recorded as an expense in the year the contribution is made.

## **SUPPLEMENTAL SCHEDULES**

**COSLEY FOUNDATION, INC.**

**Schedule of Revenue and Support - Budget and Actual  
For the Fiscal Year Ended December 31, 2016**

	Budget	Actual	Variance Over (Under)
Revenue and support			
Fund raising events			
Festival of lights/Christmas sales	\$ 172,500	\$ 194,332	\$ 21,832
Cosley Classic	49,000	74,751	25,751
Fall Fest/pumpkin sales	25,000	24,882	(118)
Run for the Animals	100,000	93,841	(6,159)
Gift shop and concession sales	148,000	181,430	33,430
Western/Grazing Festival	7,000	-	(7,000)
Paws for Breakfast	900	6,082	5,182
Total fund raising events	<u>502,400</u>	<u>575,318</u>	<u>72,918</u>
Special event revenue			
Lincoln Marsh			-
Less cost of direct benefits to donors			-
Total special event revenue	<u>-</u>	<u>-</u>	<u>-</u>
Memberships	<u>17,500</u>	<u>26,486</u>	<u>8,986</u>
Contributions	<u>-</u>	<u>38,664</u>	<u>38,664</u>
Interest earned	<u>300</u>	<u>668</u>	<u>368</u>
Other revenue	<u>400</u>	<u>829</u>	<u>429</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<u><u>\$ 520,600</u></u>	<u><u>\$ 641,965</u></u>	<u><u>\$ 121,365</u></u>



**COSLEY FOUNDATION, INC.**

**Schedule of Expenses - Budget and Actual  
For the Fiscal Year Ended December 31, 2016**

	Budget	Actual	Variance Over (Under)
<b>Expenses</b>			
<b>Fund raising events</b>			
Festival of Lights/Christmas sales	\$ 85,450	\$ 95,034	\$ 9,584
Cosley Classic	19,000	38,188	19,188
Fall Fest/pumpkin sales	15,500	15,664	164
Run for the Animals	46,700	44,078	(2,622)
Cost of goods sold	64,500	67,534	3,034
Western/Grazing Festival	5,225	-	(5,225)
Paws for Breakfast	400	2,838	2,438
Total fund raising events	<u>236,775</u>	<u>263,336</u>	<u>26,561</u>
<b>Program services</b>			
Contribution to Wheaton Park District	25,000	318,750	293,750
<b>Management and general</b>			
Administrative	521,327	163,944	(357,383)
Bank service charges	-	8	8
Credit card service fees	5,100	7,082	1,982
Total management and general	<u>526,427</u>	<u>171,034</u>	<u>(355,393)</u>
<b>TOTAL EXPENSES</b>	<u>\$ 788,202</u>	<u>\$ 753,120</u>	<u>\$ (35,082)</u>