

Cosley Foundation, Inc.
Audit Report
For the Year Ended December 31, 2015

Table of Contents

Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities:	
For the Year Ended December 31, 2015	4 - 5
For the Year Ended December 31, 2014	6 - 7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 12
Supplementary Information:	
Schedule of Revenues and Expenses - Budget and Actual	13 - 14

Selden Fox, LTD.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
619 Enterprise Drive
Oak Brook, Illinois 60523-8835

630-954-1400
630-954-1327 FAX

email@seldenfox.com
www.seldenfox.com

INDEPENDENT AUDITOR'S REPORT

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, 2015 and 2014, and the related statements 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cosley Foundation, Inc. as of December 31, 2015 and 2014, and their changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenses – budget and actual is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Selden Fox, Ltd.

April 22, 2016

Cosley Foundation, Inc.
Statement of Financial Position
December 31,

	2015	2014
Assets		
Cash and cash equivalents	\$ 667,344	\$ 557,783
Accounts receivable	5,526	11,891
Other receivables	21,744	21,744
Inventory	11,317	9,807
Prepaid expenses	50	-
Total assets	\$ 705,981	\$ 601,225
Liabilities and Net Assets		
Liabilities - accounts payable	\$ 17,118	\$ 16,445
Net assets:		
Unrestricted	607,707	521,177
Temporarily restricted	81,156	63,603
Total net assets	688,863	584,780
Total liabilities and net assets	\$ 705,981	\$ 601,225

See accompanying notes.

Cosley Foundation, Inc.
Statement of Activities
For the Year Ended December 31, 2015

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
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	580,219	568,219	12,000
Lincoln Marsh special event revenue	17,170	-	17,170
Less cost of direct benefits to donors	(8,251)	-	(8,251)
Net special event revenue	8,919	-	8,919
Interest earned	578	532	46
Contributions	45,407	45,407	-
Memberships	22,798	22,798	-
Other revenue	319	319	-
Net assets released from restrictions	-	3,412	(3,412)
Total revenue and support	658,240	640,687	17,553
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	267,258	267,258	-

(cont'd)

Cosley Foundation, Inc.
Statement of Activities (cont'd)
For the Year Ended December 31, 2015

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Expenses (cont'd):			
Program services:			
Contribution to Wheaton Park District	\$ 85,000	\$ 85,000	\$ -
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	201,899	201,899	-
Total expenses	554,157	554,157	-
Change in net assets	104,083	86,530	17,553
Net assets, beginning of the year	<u>584,780</u>	<u>521,177</u>	<u>63,603</u>
Net assets, end of the year	<u>\$ 688,863</u>	<u>\$ 607,707</u>	<u>\$ 81,156</u>

See accompanying notes.

Cosley Foundation, Inc.
Statement of Activities
For the Year Ended December 31, 2014

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Revenue and support:			
Fund-raising events:			
Festival of Lights/Christmas sales	\$ 174,789	\$ 174,789	\$ -
Cosley Classic	76,956	76,956	-
Fall Fest/pumpkin sales	26,738	26,738	-
Run for the Animals	97,874	97,874	-
Gift shop and concession sales	147,053	147,053	-
Western/Grazing Festival	6,178	6,178	-
Paws for Breakfast	4,837	4,837	-
Total fund-raising events	534,425	534,425	-
Interest earned	393	355	38
Contributions	35,897	35,096	801
Grants	11,979	11,979	-
Memberships	18,613	18,613	-
Other revenue	538	538	-
Net assets released from restrictions	-	850	(850)
Total revenue and support	601,845	601,856	(11)
Expenses:			
Fund-raising events:			
Festival of Lights/Christmas sales	86,588	86,588	-
Cosley Classic	43,110	43,110	-
Fall Fest/pumpkin sales	13,044	13,044	-
Run for the Animals	44,106	44,106	-
Cost of goods sold	58,339	58,339	-
Western/Grazing Festival	7,523	7,523	-
Paws for Breakfast	2,323	2,323	-
Total fund-raising events	255,033	255,033	-

(cont'd)

Cosley Foundation, Inc.
Statement of Activities (cont'd)
For the Year Ended December 31, 2014

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Expenses (cont'd):			
Program services:			
Contribution to Wheaton Park District	\$ 129,479	\$ 129,479	\$ -
Management and general:			
Administrative	81,094	81,094	-
Bank service charges	(57)	(57)	-
Credit card service fees	5,903	5,903	-
Total management and general	<u>86,940</u>	<u>86,940</u>	<u>-</u>
Total expenses	<u>471,452</u>	<u>471,452</u>	<u>-</u>
Change in net assets	130,393	130,404	(11)
Net assets, beginning of the year	<u>454,387</u>	<u>390,773</u>	<u>63,614</u>
Net assets, end of the year	<u>\$ 584,780</u>	<u>\$ 521,177</u>	<u>\$ 63,603</u>

See accompanying notes.

Cosley Foundation, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 104,083	\$ 130,393
Adjustments to reconcile change in net assets to net cash from operating activities:		
Changes in:		
Accounts receivable	6,365	444
Inventory	(1,510)	6,469
Prepaid expenses	(50)	66
Accounts payable	673	(39,403)
	109,561	97,969
Net change in cash and cash equivalents	109,561	97,969
Cash and cash equivalents, beginning of the year	557,783	459,814
Cash and cash equivalents, end of the year	\$ 667,344	\$ 557,783

See accompanying notes.

Cosley Foundation, Inc.
Notes to the Financial Statements

1. Summary of Significant Accounting Policies

Foundation Purpose – The Cosley Foundation, Inc., 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. The Cosley 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.

Pervasiveness of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the accounting period.

Cosley Foundation, Inc.
Notes to the Financial Statements (cont'd)

1. Summary of Significant Accounting Policies (cont'd)

Cash and Cash Equivalents – Cash equivalents include money market accounts. At December 31, 2015, cash and equivalents included \$730,159 held in commercial banks of which \$339,648 was insured by the Federal Deposit Insurance Corporation. The remainder was insured with collateral held by an agent of the Foundation.

Accounts Receivable – Accounts receivable 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, because management believes all accounts are substantially collectible. Management's periodic evaluation of the collectability of accounts receivable is based on past experience, known and inherent risks in the accounts, adverse situations that may affect the obligee's ability to repay, and current economic conditions. Accounts deemed uncollectible are charged to expense. The balance in accounts receivable over ninety days past due are not considered significant at December 31, 2015. The balance in other receivables is over ninety days past due at December 31, 2015.

Inventory – Inventory held at the gift shop is recorded at the lower of cost or market under 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.

Subsequent Events – Subsequent events have been evaluated through April 22, 2016, which is the date the financial statements were available to be issued.

Cosley Foundation, Inc.
Notes to the Financial Statements (cont'd)

2. 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 consist of the following:

	2015	2014
Lincoln Marsh renovation and development	\$ 69,156	\$ 63,603
Sponsorship – Run for Animals	12,000	-
Lincoln Marsh renovation and development	\$ 81,156	\$ 63,603

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

	2015	2014
Lincoln Marsh expenses	\$ 3,412	\$ 850

3. Income Taxes

The Foundation is incorporated as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from income taxes, except to the extent of any unrelated business income. There was no unrelated business income for the periods ended December 31, 2015 and 2014. Accordingly, no provision for income tax is included in the financial statements.

The Foundation's Federal and Illinois tax returns for the calendar years 2012, 2013, and 2014 remain subject to examination.

Cosley Foundation, Inc.
Notes to the Financial Statements (cont'd)

4. 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, those included the following:

	<u>2015</u>	<u>2014</u>
Accounting services	\$ 4,575	\$ 4,375
Use of golf course	9,348	10,488
Equipment, supplies and other services for fund-raising events	<u>22,709</u>	<u>21,862</u>
	<u>\$ 36,632</u>	<u>\$ 36,725</u>

In addition, volunteers donated a significant number of hours, estimated at a value of approximately \$9,612 and \$17,532 for the years ended December 31, 2015 and 2014, respectively, in the Foundation's fund-raising efforts, which is not reflected in the accompanying financial statements.

5. Donation Agreement

On October 24, 2012, the Cosley 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 services expense. Future installments will be recorded as an expense in the year the contribution is made.

Cosley Foundation, Inc.
Schedule of Revenues and Expenses - Budget and Actual
For the Year Ended December 31, 2015

	Budget	Actual	Favorable (Unfavorable) Variance
Revenue and support:			
Fund-raising events:			
Festival of Lights/Christmas sales	\$ 176,000	\$ 184,087	\$ 8,087
Cosley Classic	51,000	75,687	24,687
Fall Fest/pumpkin sales	25,000	22,130	(2,870)
Run for the Animals	95,000	126,066	31,066
Gift shop and concession sales	148,000	165,457	17,457
Western/Grazing Festival	7,500	-	(7,500)
Paws for Breakfast	900	6,792	5,892
Total fund-raising events	503,400	580,219	76,819
Lincoln Marsh special event revenue	-	17,170	17,170
Less cost of direct benefits to donors	-	(8,251)	(8,251)
Net special event revenue	-	8,919	8,919
Interest earned	460	578	118
Contributions	-	45,407	45,407
Memberships	17,500	22,798	5,298
Other revenue	400	319	(81)
Total revenue and support	521,760	658,240	136,480
Expenses:			
Fund-raising events:			
Festival of Lights/Christmas sales	85,950	89,417	(3,467)
Cosley Classic	17,800	40,364	(22,564)
Fall Fest/pumpkin sales	16,000	14,122	1,878
Run for the Animals	44,750	53,057	(8,307)
Cost of goods sold	51,500	67,881	(16,381)
Western/Grazing Festival	6,025	200	5,825
Paws for Breakfast	400	2,217	(1,817)
Total fund-raising events	222,425	267,258	(44,833)

(cont'd)

Cosley Foundation, Inc.
Schedule of Revenues and Expenses - Budget and Actual (cont'd)
For the Year Ended December 31, 2015

	Budget	Actual	Favorable (Unfavorable) Variance
Expenses (cont'd):			
Program services:			
Contribution to Wheaton Park District	\$ 96,620	\$ 85,000	\$ 11,620
Management and general:			
Administrative	218,716	195,822	22,894
Bank service charges	250	(67)	317
Credit card service fees	4,900	6,144	(1,244)
Capital projects	105,000	-	105,000
Total management and general	328,866	201,899	126,967
Total expenses	647,911	554,157	93,754
Change in net assets	\$ (126,151)	\$ 104,083	\$ 230,234

See independent auditor's report.