

COSLEY FOUNDATION, INC.
WHEATON, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

COSLEY FOUNDATION, INC.

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Foundation's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

May 23, 2022

Board of Directors
Cosley Foundation, Inc.
Wheaton, Illinois

Opinion

We have audited the accompanying financial statements of the Cosley Foundation, Inc. (Foundation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows, and functional expenses for the year 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 Cosley Foundation, Inc., 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 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 these 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 Foundation'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.

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

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 Foundation'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 Foundation'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cosley Foundation, Inc.'s basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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, supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

COSLEY FOUNDATION, INC.

**Statement of Financial Position
December 31, 2021 and 2020**

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,705,102	\$ 1,267,097
Receivables - net of allowance		
Accounts	40,966	18,363
Other	112	62
Promises to give	76,900	114,433
Inventories	18,715	10,062
TOTAL ASSETS	<u>\$ 1,841,795</u>	<u>\$ 1,410,017</u>
LIABILITIES		
Accounts payable	<u>\$ 64,842</u>	<u>\$ 43,940</u>
NET ASSETS		
With donor restrictions	292,773	259,928
Without donor restrictions	1,484,180	1,106,149
TOTAL NET ASSETS	<u>1,776,953</u>	<u>1,366,077</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,841,795</u>	<u>\$ 1,410,017</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, 2021**

	Totals	Without Donor Restrictions	With Donor Restrictions
Revenue and support			
Fund raising events			
Festival of lights/Christmas sales	\$ 263,507	\$ 263,507	\$ —
Cosley Classic	76,562	76,562	—
Fall Fest/pumpkin sales	32,029	32,029	—
Run for the Animals	41,479	41,479	—
Gift shop and concession sales	253,601	253,601	—
Total fund raising events	<u>667,178</u>	<u>667,178</u>	<u>—</u>
Fund raising event costs			
Festival of Lights/Christmas sales	128,717	128,717	—
Cosley Classic	38,987	38,987	—
Fall Fest/pumpkin sales	14,212	14,212	—
Run for the Animals	17,511	17,511	—
Cost of goods sold	95,069	95,069	—
Capital Campaign	100	100	—
Total fund raising event costs	<u>294,596</u>	<u>294,596</u>	<u>—</u>
Total net fund raising event revenue	<u>372,582</u>	<u>372,582</u>	<u>—</u>
Memberships	59,369	59,369	—
Contributions	366,995	210,795	156,200
Interest earned	380	377	3
Other revenue	500	500	—
Net assets released from restrictions	—	123,358	(123,358)
TOTAL REVENUE AND SUPPORT	<u>799,826</u>	<u>766,981</u>	<u>32,845</u>
Expenses			
Program services			
Contribution to Wheaton Park District	129,724	129,724	—
Capital Campaign	123,258	123,258	—
Total program services	<u>252,982</u>	<u>252,982</u>	<u>—</u>
Management and general			
Administrative	123,174	123,174	—
Bank service charges	1,042	1,042	—
Credit card service fees	11,752	11,752	—
Total management and general	<u>135,968</u>	<u>135,968</u>	<u>—</u>
TOTAL EXPENSES	<u>388,950</u>	<u>388,950</u>	<u>—</u>
CHANGES IN NET ASSETS	410,876	378,031	32,845
NET ASSETS - BEGINNING	<u>1,366,077</u>	<u>1,106,149</u>	<u>259,928</u>
NET ASSETS - ENDING	<u>\$ 1,776,953</u>	<u>\$ 1,484,180</u>	<u>\$ 292,773</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, 2020**

	Totals	Without Donor Restrictions	With Donor Restrictions
Revenue and support			
Fund raising events			
Festival of lights/Christmas sales	\$ 210,749	\$ 210,749	\$ —
Cosley Classic	27,888	27,888	—
Fall Fest/pumpkin sales	28,214	28,214	—
Run for the Animals	36,667	36,667	—
Gift shop and concession sales	122,102	122,102	—
Total fund raising events	425,620	425,620	—
Fund raising events costs			
Festival of Lights/Christmas sales	97,533	97,533	—
Cosley Classic	13,563	13,563	—
Fall Fest/pumpkin sales	12,018	12,018	—
Run for the Animals	13,428	13,428	—
Cost of goods sold	49,436	49,436	—
Total fund raising events costs	185,978	185,978	—
Total net fund raising event revenue	239,642	239,642	—
Memberships	38,240	38,240	—
Contributions	343,669	119,043	224,626
Interest earned	555	550	5
Other revenue	377	377	—
Net assets released from restrictions	—	75,998	(75,998)
TOTAL REVENUE AND SUPPORT	622,483	473,850	148,633
Expenses			
Program services			
Contribution to Wheaton Park District	105,000	105,000	—
Capital Campaign	75,998	75,998	—
Total program services	180,998	180,998	—
Management and general			
Administrative	137,369	137,369	—
Bank service charges	(1,015)	(1,015)	—
Credit card service fees	7,954	7,954	—
Total management and general	144,308	144,308	—
TOTAL EXPENSES	325,306	325,306	—
CHANGES IN NET ASSETS	297,177	148,544	148,633
NET ASSETS - BEGINNING	1,068,900	957,605	111,295
NET ASSETS - ENDING	\$ 1,366,077	\$ 1,106,149	\$ 259,928

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, 2021 and 2020

	2021	2020
CASH FROM OPERATING ACTIVITIES		
Change in net assets	\$ 410,876	\$ 297,177
Adjustments to reconcile change in net assets to net cash from operating activities:		
Accounts receivable	14,880	(120,493)
Inventories	(8,653)	7,356
Prepays	—	500
Accounts payable	20,902	(13,688)
NET CHANGE IN CASH AND CASH EQUIVALENTS	438,005	170,852
CASH AND CASH EQUIVALENTS - BEGINNING	1,267,097	1,096,245
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,705,102</u>	<u>\$ 1,267,097</u>

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

COSLEY FOUNDATION, INC.

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foundation Purpose

The Cosley Foundation, Inc., (the 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 (the 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 financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Net Assets

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

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.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Functional expenses which are not directly attributable to one function are allocated between program, management and general, and fundraising services based on the number of employees involved, the amount of time spent, the percentage of their salary associated with the time and on estimated made by the Foundation's management.

COSLEY FOUNDATION, INC.

Notes to the Financial Statements

December 31, 2021

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 Foundation's ability to be repaid, and current economic conditions. Receivables deemed uncollectible are charged to expense.

Promises to Give

Promises to give consist of unconditional promised to give to the Foundation. The carrying amount of promises to give may be recorded by a valuation allowance based on management's assessment of the collectability of specific promise to give balances. Promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Inventories/Prepays

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

Contributed Revenue

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Income Taxes

The Foundation is exempt from income tax under IRC section 501(c)(3), and similarly, is exempt from State of Illinois taxes under the Illinois Tax Act Section 205(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. There was no unrelated business income for the year ended December 31, 2021.

COSLEY FOUNDATION, INC.

**Notes to the Financial Statements
December 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes - Continued

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally, for three years after they were filed. Annual filings with the State of Illinois are, similarly, subject to examination.

Budgetary Information

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements. The budget is authorized by the board of directors, which is reviewed monthly against actual revenue and expenses by the board. The board discussed with staff the provisions for generating revenue, assuring long-term solvency, and maintaining services. Their recommendations are presented to the board of directors for discussion and decision making. No budget amendments were made during the year.

NOTE 2 - DETAIL NOTES ON ALL FUNDS

Cash and Cash Equivalents

At December 31, 2021, cash and cash equivalents totaled \$1,705,102 and the bank cash balance of \$1,671,080 held in commercial banks of which the entire balance was insured by the Federal Deposit Insurance Corporation.

Net Assets

Net assets with donor restrictions as of December 31, 2021 and December 31, 2020 was comprised of the following:

	2021	2020
Lincoln Marsh renovation and development	\$ 15,150	\$ 14,809
Capital Campaign	183,623	245,119
Blood Analysis Equipment	24,000	—
Cosley Van	35,000	—
Rabbit Yard Shelter	10,000	—
Electronic Kiosk	20,000	—
Chat Trees	5,000	—
	<u>\$ 292,773</u>	<u>\$ 259,928</u>

COSLEY FOUNDATION, INC.

**Notes to the Financial Statements
December 31, 2021**

NOTE 2 - DETAIL NOTES ON ALL FUNDS - Continued

Net Assets - Continued

The source of net assets released from 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, 2021 and December 31, 2020:

	<u>2021</u>	<u>2020</u>
Capital Campaign	<u>\$ 123,358</u>	<u>\$ 75,998</u>

Availability and Liquidity

The following represents Foundation's financial assets at December 31, 2021:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,705,102
Receivables	<u>117,978</u>
Total financial assets	1,823,080
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>292,773</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,530,307</u>

The following represents Foundation's financial assets at December 31, 2020:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,267,097
Receivables	<u>132,858</u>
Total financial assets	1,399,955
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>259,928</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,140,027</u>

COSLEY FOUNDATION, INC.

**Notes to the Financial Statements
December 31, 2021**

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, 2021 and December 31, 2020, those included the following:

	2021	2020
Use of golf course	\$ 6,520	\$ 2,350
Equipment, supplies, and other services for fundraising events	14,248	504
	<u>\$ 20,768</u>	<u>\$ 2,854</u>

In addition, volunteers donated a significant number of hours, estimated at a value of approximately \$9,262 and \$60 for the years ended December 31, 2021 and December 31, 2020, 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 contract for 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.

NOTE 3 - CONTINGENT LIABILITIES

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Foundation's operations and financial position cannot be determined.

SUPPLEMENTAL SCHEDULES

COSLEY FOUNDATION, INC.

**Schedule of Revenue and Support - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget	Actual	Variance Over (Under)
Revenue and support			
Fund raising events			
Festival of lights/Christmas sales	\$ 218,500	\$ 263,507	\$ 45,007
Cosley Classic	41,313	76,562	35,249
Fall Fest/pumpkin sales	27,083	32,029	4,946
Run for the Animals	85,000	41,479	(43,521)
Gift shop and concession sales	130,000	253,601	123,601
Total fund raising events	501,896	667,178	165,282
Fund raising event costs			
Festival of lights/Christmas sales	108,025	128,717	20,692
Cosley Classic	16,949	38,987	22,038
Fall Fest/pumpkin sales	13,627	14,212	585
Run for the Animals	48,411	17,511	(30,900)
Cost of goods sold	66,700	95,069	28,369
Capital Campaign	3,250	100	(3,150)
Total fund raising event costs	256,962	294,596	37,634
Total net fund raising event revenue	244,934	372,582	127,648
Memberships	33,000	59,369	26,369
Contributions	300,385	366,995	66,610
Interest earned	600	380	(220)
Other revenue	400	500	100
TOTAL REVENUE AND SUPPORT	\$ 579,319	\$ 799,826	\$ 220,507

COSLEY FOUNDATION, INC.

**Schedule of Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget	Actual	Variance Over (Under)
Expenses			
Program services			
Contribution to Wheaton Park District	\$ 113,165	\$ 129,724	\$ 16,559
Capital Campaign	138,950	123,258	(15,692)
Total program services	252,115	252,982	867
Management and general			
Administrative	162,716	123,174	(39,542)
Bank service charges	150	1,042	892
Credit card service fees	10,000	11,752	1,752
Total management and general	172,866	135,968	(36,898)
TOTAL EXPENSES	\$ 424,981	\$ 388,950	\$ (36,031)