

**Cosley Foundation, Inc.  
Audit Report  
For the Year Ended December 31, 2014**

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# 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, 2014 and 2013, 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, 2014 and 2013, 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.

*Seelden Fox, Ltd.*

April 13, 2015

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

	2014	2013
<b>Assets</b>		
Cash and cash equivalents	\$ 557,783	\$ 459,814
Accounts receivable	11,891	12,335
Other receivables	21,744	21,744
Inventory	9,807	16,276
Prepaid expense	-	66
	<b>\$ 601,225</b>	<b>\$ 510,235</b>
<b>Liabilities and Net Assets</b>		
Liabilities - Accounts payable	\$ 16,445	\$ 55,848
Net assets:		
Unrestricted	521,177	390,773
Temporarily restricted	63,603	63,614
	<b>584,780</b>	<b>454,387</b>
<b>Total net assets</b>	<b>584,780</b>	<b>454,387</b>
<b>Total liabilities and net assets</b>	<b>\$ 601,225</b>	<b>\$ 510,235</b>

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	-
<b>Total fund-raising events</b>	<b>534,425</b>	<b>534,425</b>	<b>-</b>
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)
<b>Total revenue and support</b>	<b>601,845</b>	<b>601,856</b>	<b>(11)</b>
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	-
<b>Total fund-raising events</b>	<b>255,033</b>	<b>255,033</b>	<b>-</b>

(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	-
<b>Total management and general</b>	<b>86,940</b>	<b>86,940</b>	<b>-</b>
<b>Total expenses</b>	<b>471,452</b>	<b>471,452</b>	<b>-</b>
<b>Change in net assets</b>	<b>130,393</b>	<b>130,404</b>	<b>(11)</b>
Net assets, beginning of the year	454,387	390,773	63,614
Net assets, end of the year	\$ 584,780	\$ 521,177	\$ 63,603

See accompanying notes.

**Cosley Foundation, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2013**

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Revenue and support:			
Fund-raising events:			
Festival of Lights/Christmas sales	\$ 174,635	\$ 174,635	\$ -
Cosley Classic	57,819	57,819	-
Fall Fest/pumpkin sales	30,739	30,739	-
Run for the Animals	104,769	104,769	-
Gift shop and concession sales	146,149	146,149	-
Western/Grazing Festival	7,084	7,084	-
Paws for Breakfast	2,563	2,563	-
Day at the Races	2,358	2,358	-
<b>Total fund-raising events</b>	<b>526,116</b>	<b>526,116</b>	<b>-</b>
Interest earned	490	428	62
Contributions	35,400	35,200	200
Memberships	19,482	19,482	-
Other revenue	398	398	-
Net assets released from restrictions	-	59,328	(59,328)
<b>Total revenue and support</b>	<b>581,886</b>	<b>640,952</b>	<b>(59,066)</b>
Expenses:			
Fund-raising events:			
Festival of Lights/Christmas sales	85,809	85,809	-
Cosley Classic	30,377	30,377	-
Fall Fest/pumpkin sales	16,614	16,614	-
Run for the Animals	45,458	45,458	-
Cost of goods sold	56,370	56,370	-
Western/Grazing Festival	6,042	6,042	-
Paws for Breakfast	84	84	-
Day at the Races	80	80	-
<b>Total fund-raising events</b>	<b>240,834</b>	<b>240,834</b>	<b>-</b>

(cont'd)

**Cosley Foundation, Inc.**  
**Statement of Activities (cont'd)**  
**For the Year Ended December 31, 2013**

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Expenses (cont'd):			
Program services:			
Contribution to Wheaton Park District	\$ 178,678	\$ 178,678	\$ -
Management and general:			
Administrative	\$ 70,705	\$ 70,705	\$ -
Bank service charges	128	128	-
Credit card service fees	5,456	5,456	-
<b>Total management and general</b>	<u>76,289</u>	<u>76,289</u>	<u>-</u>
<b>Total expenses</b>	<u>495,801</u>	<u>495,801</u>	<u>-</u>
<b>Change in net assets</b>	86,085	145,151	(59,066)
Net assets, beginning of the year	<u>368,302</u>	<u>245,622</u>	<u>122,680</u>
Net assets, end of the year	<u>\$ 454,387</u>	<u>\$ 390,773</u>	<u>\$ 63,614</u>

See accompanying notes.



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

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 130,393	\$ 86,085
Adjustments to reconcile change in net assets to net cash from operating activities:		
Contribution of property	-	59,328
Changes in:		
Accounts receivable	444	(10,678)
Inventory	6,469	(3,831)
Prepaid expenses	66	(66)
Accounts payable	(39,403)	39,865
Deferred revenue	-	(95)
<b>Net cash from operating activities</b>	<u>97,969</u>	<u>170,608</u>
Cash flows used in investing activities - payments on construction in progress	<u>-</u>	<u>(44,067)</u>
<b>Net change in cash and cash equivalents</b>	<b>97,969</b>	<b>126,541</b>
Cash and cash equivalents, beginning of the year	<u>459,814</u>	<u>333,273</u>
Cash and cash equivalents, end of the year	<u>\$ 557,783</u>	<u>\$ 459,814</u>

See accompanying notes.

**Cosley Foundation, Inc.**  
**Notes to the Financial Statements**

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**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)**

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

**Cash and Cash Equivalents** – Cash equivalents include money market accounts and certificates of deposit with original maturities of three months or less. At December 31, 2014, cash and equivalents included \$616,491 held in commercial banks of which \$339,120 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, 2014. The balance in other receivables is over ninety days past due at December 31, 2014.

**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.

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

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**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:

	<u>2014</u>	<u>2013</u>
Lincoln Marsh renovation and development	<u>\$ 63,603</u>	<u>\$ 63,614</u>

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:

	<u>2014</u>	<u>2013</u>
Lincoln Marsh capital expenses	<u>\$ 850</u>	<u>\$ 59,328</u>

**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, 2014 and 2013. Accordingly, no provision for income tax is included in the financial statements.

The Foundation's Federal and Illinois tax returns for the calendar years 2011, 2012, and 2013 remain subject to examination.

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

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**4. Contributed Goods/Services**

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

	<u>2014</u>	<u>2013</u>
Accounting services	\$ 4,375	\$ 4,325
Use of golf course	10,488	9,804
Equipment, supplies and other services for fund-raising events	<u>21,862</u>	<u>9,640</u>
	<u>\$ 36,725</u>	<u>\$ 23,769</u>

In addition, volunteers donated a significant number of hours, estimated at a value of approximately \$17,532 and \$16,875 for the years ended December 31, 2014 and 2013, 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.

**6. Subsequent Events**

Subsequent events have been evaluated through April 13, 2015, which is the date the financial statements were available to be issued.

**Cosley Foundation, Inc.**  
**Schedule of Revenues and Expenses - Budget and Actual**  
**For the Year Ended December 31, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenue and support:			
Fund-raising events:			
Festival of Lights/Christmas sales	\$ 165,900	\$ 174,789	\$ 8,889
Cosley Classic	50,000	76,956	26,956
Fall Fest/pumpkin sales	30,500	26,738	(3,762)
Run for the Animals	95,500	97,874	2,374
Gift shop sales	135,000	147,053	12,053
Western/Grazing Festival	12,000	6,178	(5,822)
Paws for Breakfast	2,400	4,837	2,437
Walk for Awareness	8,800	-	(8,800)
Day at the Races	2,000	-	(2,000)
<b>Total fund-raising events</b>	<b>502,100</b>	<b>534,425</b>	<b>32,325</b>
Interest earned	500	393	(107)
Contributions	-	35,897	35,897
Grants	-	11,979	11,979
Memberships	15,000	18,613	3,613
Other revenue	600	538	(62)
<b>Total revenue and support</b>	<b>518,200</b>	<b>601,845</b>	<b>83,645</b>
Expenses:			
Fund-raising events:			
Festival of Lights/Christmas sales	83,700	86,588	(2,888)
Cosley Classic	18,400	43,110	(24,710)
Fall Fest/pumpkin sales	14,800	13,044	1,756
Run for the Animals	40,366	44,106	(3,740)
Cost of goods sold	48,500	58,339	(9,839)
Western/Grazing Festival	7,275	7,523	(248)
Paws for Breakfast	400	2,323	(1,923)
Walk for Awareness	5,285	-	5,285
Day at the Races	1,100	-	1,100
<b>Total fund-raising events</b>	<b>219,826</b>	<b>255,033</b>	<b>(35,207)</b>

(cont'd)

**Cosley Foundation, Inc.**  
**Schedule of Revenues and Expenses - Budget and Actual (cont'd)**  
**For the Year Ended December 31, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Expenses (cont'd):			
Program services:			
Contribution to Wheaton Park District	\$ 140,000	\$ 129,479	\$ 10,521
Management and general:			
Administrative	96,795	81,094	15,701
Bank service charges	771	(57)	828
Credit card service fees	5,949	5,903	46
<b>Total management and general</b>	<u>103,515</u>	<u>86,940</u>	<u>16,575</u>
<b>Total expenses</b>	<u>463,341</u>	<u>471,452</u>	<u>(8,111)</u>
<b>Change in net assets</b>	<u>\$ 54,859</u>	<u>\$ 130,393</u>	<u>\$ 75,534</u>

See independent auditor's report.