

**FRIENDS OF THE FOREST PRESERVE
DISTRICT OF DUPAGE COUNTY
ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019**

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Friends' independent auditing firm.



INDEPENDENT AUDITORS' REPORT

March 19, 2020

Members of the Board of Directors
Friends of the Forest Preserve District of DuPage County
Wheaton, Illinois

We have audited the accompanying financial statements of the Friends of the Forest Preserve District of DuPage County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows, and functional expenses for the year 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 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 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 Friends of the Forest Preserve District of DuPage County'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 Friends of the Forest Preserve District of DuPage County'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, the financial statements referred to above present fairly, in all material respects, the financial position of the Friends of the Forest Preserve District of DuPage County, as of December 31, 2019, and the changes in its net assets and its cash flow for the year 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 Friends of the Forest Preserve District of DuPage County's (a nonprofit organization) financial statements. The supplemental schedule is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental schedule is the responsibility of management and was 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 supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Statement of Financial Position

December 31, 2019

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 666,954
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>5,598</u>
NET ASSETS	
With Donor Restrictions	623,995
Without Donor Restrictions	<u>37,361</u>
Total Net Assets	<u><u>661,356</u></u>

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

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Statement of Activities

For the Fiscal Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Grants	\$ —	26,000	26,000
Contributions	57,082	274,593	331,675
Contributions - In-Kind	13,219	—	13,219
Interest	6,089	—	6,089
Net Assets Released from Restrictions	93,300	(93,300)	—
Total Revenues and Other Support	169,690	207,293	376,983
Expenses			
Programs Services	106,619	—	106,619
Management and General	23,241	—	23,241
Fundraising	20,158	—	20,158
Total Expenses	150,018	—	150,018
Change in Net Assets	19,672	207,293	226,965
Net Assets - Beginning	17,689	416,702	434,391
Net Assets - Ending	37,361	623,995	661,356

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

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2019

Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	\$ 226,965
Adjustments to Reconcile Changes in Unrestricted Net Assets to Net Cash Provided by Operating Activities:	
Increase (Decrease) in Current Liabilities	<u>5,446</u>
Net Cash Provided by Operating Activities	232,411
Cash and Cash Equivalents - Beginning	<u>434,543</u>
Cash and Cash Equivalents - Ending	<u><u>666,954</u></u>
Noncash Capital and Related Financing Activities	
In-Kind Donated Goods	207
In-Kind Donated Services	13,012
In-Kind Expenses	<u>(13,219)</u>
	<u>—</u>

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

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Statement of Functional Expenses

For the Fiscal Year Ended December 31, 2019

	Program Services	Management and General	Fundraising	Totals
Payments to Forest Preserve District of DuPage County	\$ 92,472	—	—	92,472
Outside Contract Services	3,962	—	15,360	19,322
Event Supplies	8,202	—	3,012	11,214
Postage, Mailing Services	1,983	—	1,211	3,194
Accounting and Bookkeeping	—	13,687	—	13,687
Printing and Copying	—	5,358	—	5,358
Office Supplies	—	4,017	—	4,017
Other Expenses	—	318	575	893
Insurance	—	450	—	450
Realized/Unrealized Gains and Losses	—	(589)	—	(589)
	106,619	23,241	20,158	150,018

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

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Notes to the Financial Statements

December 31, 2019

NOTE 1 – NATURE OF ORGANIZATION

The Friends of the Forest Preserve District of DuPage County (Friends) was established in 2010, exists to advance the vision of the Forest Preserve District of DuPage County through philanthropic endeavors. As a 501(c)(3) nonprofit, public charity, the Friends seeks to advance the District's preservation and restoration goals while also furthering its educational and recreational programs and capital needs.

The Friends is guided by an independent, volunteer board of directors who represents the entire DuPage County area. Dedicated to supporting the Forest Preserve District of DuPage County, the Friends board is instrumental in helping secure funding to enhance District programs and services offered to citizens throughout the county.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets of Friends 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 Friends' 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 Friends 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. As of December 31, 2019, the Friends have no donor-restricted funds that are perpetual in nature.

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.

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Notes to the Financial Statements

December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Taxes

The Friends 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 Friends 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 Friends 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, 2019.

The Friends' 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.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the schedules of functional expenses. 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 Friends' management.

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's Finance Committee. The Finance Committee 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 supplemental appropriations were made during the year.

Cash and Investments

For the purpose of the Statement of Financial Position and Statement of Cash Flows, the Friends' cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Notes to the Financial Statements December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Investments – Continued

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Friends of the Forest Preserve District of DuPage County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Friends has no investments at year-end.

Investment Income

The Friends records investment income earned on net assets without donor restrictions revenue.

NOTE 3 – CASH AND INVESTMENTS

At year-end the carrying amount of the Friends' cash deposits totaled \$372,379 and the bank balances totaled \$422,379. The entire balance of deposits was fully insured by federal deposit insurance.

The Friends' investments at December 31, 2019 consisted of the following:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	\$ 294,575	294,575	—	—	—

The fair values of assets measured on a recurring basis at December 31, 2019 are as follows:

Investments by Fair Value	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Debt Securities				
U.S. Treasury Securities	\$ 294,575	294,575	—	—

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Notes to the Financial Statements

December 31, 2019

NOTE 3 – CASH AND INVESTMENTS – Continued

Level 1 – Fair value measurements are based on quoted market prices in active markets for identical assets.

Level 2 – Fair value measurements are based on significant other observable inputs.

Level 3 – Fair value measurements are based on significant unobservable inputs.

There were no changes in the valuation techniques used for measuring fair value during the year ended December 31, 2019.

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents Friends' financial assets at December 31, 2019:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 666,954
Less Amounts not Available to be used within one year	
Net Assets with Donor Restrictions	<u>623,995</u>
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<u>42,959</u>

The Friends' goal is generally to maintain financial assets to meet operating expenses. As part of its liquidity plan, excess cash may be invested in short-term investments, including money market accounts and certificates of deposit.

NOTE 5 – IN-KIND DONATIONS

Donated Services – Donated services are recognized as in-kind revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. Contributed services that do not meet the above criteria are not recognized as revenues and are not reported in the accompanying financial statements. The Friends received services from a Friends volunteer and Forest Preserve District of DuPage County employees, which includes weekly bookkeeping services, grant/sponsorship writing, event fundraising, and development coordination, a portion of which meets the criteria for recognition. Accordingly, contributions have been recorded for the estimated fair value of these services of \$13,012 for the year ending December 31, 2019. These amounts have been included as in-kind revenue and management and general expenses of the Statements of Activities. The Friends also receives donated services from a variety of unpaid volunteers assisting the Friends in its programs. However, these donated services are not reflected in the Statements of Activities because the criteria for recognition have not been satisfied.

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Notes to the Financial Statements

December 31, 2019

NOTE 5 – IN-KIND DONATIONS – Continued

Donated Goods – The Friends received auction items which were at no charge to the Friends during the year ended December 31, 2019. Accordingly, contributions have been recorded for the fair value of the goods of \$207 for the year ending December 31, 2019. These amounts have been included as in-kind revenue and fundraising expense on the Statements of Activities.

NOTE 6 – NET ASSETS

With Donor Restrictions

Net Assets with donor restrictions as of December 31, 2019 was comprised of the following:

Mayslake Capital Project	\$ 470
Mayslake Priority Project	1,709
Mayslake Staircase Priority Project	1,435
Willowbrook and Raptor Housing	183,003
Conservation/Natural Resources	16,737
Belleau Woods Restoration	30,443
Blanding's Turtles Program	20,203
West Chicago Prairie Restoration	234
Mayslake Peabody Estate	11,897
Education	10,812
St. James Farm	3,889
Kline Creek Farm	4,810
Willowbrook Wildlife Center	270,870
Fullersburg Woods	6,056
Greene Valley	3,457
Danada Equestrian Center	18,595
Preserve Improvements	7,979
ADA Piers Priority Project	7,865
Recreation Improvements	5,490
Volunteers	3,190
Land Management/Acquisition	14,251
Search and Rescue Drone	600
	<u>623,995</u>

SUPPLEMENTAL SCHEDULE

FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY

Schedule of Activities - Budget and Actual For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Revenues and Other Support			
Grants	\$ 20,000	20,000	26,000
Contributions	140,000	140,000	331,675
Contributions - In-Kind	37,500	37,500	13,219
Investment Income	—	—	6,089
Total Revenues and Other Support	197,500	197,500	376,983
Expenses			
Program Services	311,800	311,800	106,619
Supporting Services			
Management and General	45,600	45,600	23,241
Fundraising	6,100	6,100	20,158
Total Expenses	363,500	363,500	150,018
Changes in Net Assets	(166,000)	(166,000)	226,965
Net Assets - Beginning			434,391
Net Assets - Ending			661,356