

The Toledo Zoological Society

Years Ended  
December 31,  
2023 and 2022

Consolidated  
Financial Statements  
and  
Supplementary  
Information

**Rehmann**

# THE TOLEDO ZOOLOGICAL SOCIETY

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May 7, 2024

Board of Directors  
The Toledo Zoological Society  
Toledo, Ohio

### **Opinion**

We have audited the accompanying consolidated financial statements of **The Toledo Zoological Society** (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (the "consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **The Toledo Zoological Society** as of December 31, 2023 and 2022, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Change in Accounting Principle**

As described in Note 1 to the consolidated financial statements, effective January 1, 2023, the Organization adopted Accounting Standards Codification Topic 326, *Financial Instruments-Credit Losses*. Our opinion is not modified with respect to this matter.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

***Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated financial statements.

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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Consolidated Statements of Financial Position

	ASSETS	
	December 31	
	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 7,145,095	\$ 3,489,903
Grant receivable	97,607	2,453,363
Contribution receivable, net	367,301	446,511
Accounts receivable	677,304	565,853
Levy receivable	10,000	10,000
Inventory	820,987	865,626
Prepaid expenses and deposits	670,581	731,689
Investment securities	29,098,698	28,106,089
Beneficial interest in perpetual trusts	874,486	819,256
Property and equipment		
Land and improvements	20,019,455	19,545,700
Buildings and structures	224,617,435	211,656,605
Equipment	12,173,862	13,237,556
Construction in progress	15,350,470	16,245,172
	<u>272,161,222</u>	<u>260,685,033</u>
Less accumulated depreciation	<u>116,518,599</u>	<u>112,511,886</u>
Net property and equipment	<u>155,642,623</u>	<u>148,173,147</u>
<b>Total assets</b>	<b><u>\$ 195,404,682</u></b>	<b><u>\$ 185,661,437</u></b>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities</b>		
Bank revolving note payable	\$ 3,090,349	\$ 2,842,130
Accounts payable	3,300,944	3,095,322
Accrued payroll, vacation pay and payroll taxes	793,773	676,541
Deferred membership	2,268,785	1,981,161
Deferred revenue	426,480	405,402
<b>Total liabilities</b>	<b><u>9,880,331</u></b>	<b><u>9,000,556</u></b>
Commitment (Note 12)		
<b>Net assets</b>		
Without donor restrictions	171,258,899	166,030,006
With donor restrictions	14,265,452	10,630,875
<b>Total net assets</b>	<b><u>185,524,351</u></b>	<b><u>176,660,881</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 195,404,682</u></b>	<b><u>\$ 185,661,437</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Consolidated Statements of Activities

	Year Ended December 31					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains (losses), and other support</b>						
Tax levies	\$ 12,337,948	\$ -	\$ 12,337,948	\$ 12,078,777	\$ -	\$ 12,078,777
Park operations	12,918,730	-	12,918,730	10,504,119	-	10,504,119
Admissions	7,467,808	-	7,467,808	6,051,778	-	6,051,778
Memberships	9,244,427	-	9,244,427	8,156,098	-	8,156,098
Special events and programs	1,525,321	-	1,525,321	1,286,268	-	1,286,268
Zoo pals	164,501	-	164,501	153,932	-	153,932
Investment return (loss), net of fees	2,704,465	1,325,551	4,030,016	(3,006,525)	(1,547,462)	(4,553,987)
Contributions and bequests	1,086,220	3,436,548	4,522,768	917,332	1,462,009	2,379,341
Grants and other revenue	4,366,963	203,168	4,570,131	8,414,074	147,986	8,562,060
Net assets released from restriction	1,330,690	(1,330,690)	-	1,253,800	(1,253,800)	-
<b>Total revenues, gains (losses), and other support</b>	<b>53,147,073</b>	<b>3,634,577</b>	<b>56,781,650</b>	<b>45,809,653</b>	<b>(1,191,267)</b>	<b>44,618,386</b>
<b>Expenses and other losses</b>						
<b>Program expenses:</b>						
Animal care and exhibitions	20,707,942	-	20,707,942	19,242,816	-	19,242,816
Park operations	12,256,254	-	12,256,254	10,320,776	-	10,320,776
Conservation	1,913,827	-	1,913,827	1,503,320	-	1,503,320
Education	1,610,640	-	1,610,640	1,349,399	-	1,349,399
Membership services	1,452,642	-	1,452,642	1,218,446	-	1,218,446
Awareness	3,286,876	-	3,286,876	3,188,573	-	3,188,573
Total program expenses	41,228,181	-	41,228,181	36,823,330	-	36,823,330
<b>Supporting services expenses:</b>						
General and administrative	5,939,835	-	5,939,835	4,712,473	-	4,712,473
Fundraising	697,782	-	697,782	702,974	-	702,974
Total supporting services expenses	6,637,617	-	6,637,617	5,415,447	-	5,415,447
<b>Other losses:</b>						
Loss on disposal of property and equipment	52,382	-	52,382	1,001,771	-	1,001,771
<b>Total expenses and other losses</b>	<b>47,918,180</b>	<b>-</b>	<b>47,918,180</b>	<b>43,240,548</b>	<b>-</b>	<b>43,240,548</b>
<b>Changes in net assets</b>	<b>5,228,893</b>	<b>3,634,577</b>	<b>8,863,470</b>	<b>2,569,105</b>	<b>(1,191,267)</b>	<b>1,377,838</b>
Net assets, beginning of year	166,030,006	10,630,875	176,660,881	163,460,901	11,822,142	175,283,043
<b>Net assets, end of year</b>	<b>\$ 171,258,899</b>	<b>\$ 14,265,452</b>	<b>\$ 185,524,351</b>	<b>\$ 166,030,006</b>	<b>\$ 10,630,875</b>	<b>\$ 176,660,881</b>

The accompanying notes are an integral part of these consolidated financial statements.

**THE TOLEDO ZOOLOGICAL SOCIETY**

**Consolidated Statement of Functional Expenses**

Year Ended December 31, 2023

	Program Expenses						Supporting Services			Total	
	Animal Care and Exhibitions	Park Operations	Conservation	Education	Membership Services	Awareness	Total Program Expenses	General and Administrative	Fundraising		Total Supporting Services
Salaries and wages	\$ 9,271,838	\$ 4,438,244	\$ 656,630	\$ 885,967	\$ 514,585	\$ 711,309	\$ 16,478,573	\$ 1,762,987	\$ 322,810	\$ 2,085,797	\$ 18,564,370
Fringe benefits	1,961,871	939,294	139,067	187,387	108,818	150,460	3,486,897	373,203	68,355	441,558	3,928,455
Cost of goods sold	-	3,821,104	-	-	-	-	3,821,104	-	-	-	3,821,104
Animal nutrition	750,368	-	-	-	-	-	750,368	-	-	-	750,368
Repairs and maintenance	1,427,998	22,756	-	2,514	-	-	1,453,268	-	-	-	1,453,268
Utilities	1,047,846	501,682	74,276	100,084	58,120	80,361	1,862,369	199,330	36,509	235,839	2,098,208
Professional and contracted services	786,396	213,561	5,200	-	323,409	3,084	1,331,650	514,005	33,523	547,528	1,879,178
Advertising and public relations	-	30,467	-	-	25,642	1,894,739	1,950,848	10,023	33,232	43,255	1,994,103
Processing fees	-	-	-	-	-	-	-	1,237,265	-	1,237,265	1,237,265
Insurance, licenses and taxes	10,935	22,350	596	-	-	-	33,881	518,667	200	518,867	552,748
Supplies	1,300,751	290,780	98,518	30,044	201,339	138,150	2,059,582	126,365	39,354	165,719	2,225,301
Training and education	35,436	4,194	3,929	17,828	107	931	62,425	54,263	18,914	73,177	135,602
Organizational dues	2,387	1,590	-	-	-	2,750	6,727	67,669	4,386	72,055	78,782
Animal acquisitions	94,617	-	-	-	-	-	94,617	-	-	-	94,617
Grants	-	-	654,548	8,095	-	-	662,643	15,042	-	15,042	677,685
Depreciation	3,965,055	1,898,368	281,063	378,721	219,928	304,088	7,047,223	754,266	138,150	892,416	7,939,639
Interest	-	-	-	-	-	-	-	290,260	-	290,260	290,260
Other	52,444	71,864	-	-	694	1,004	126,006	16,490	2,349	18,839	144,845
<b>Total expenses</b>	<b>\$ 20,707,942</b>	<b>\$ 12,256,254</b>	<b>\$ 1,913,827</b>	<b>\$ 1,610,640</b>	<b>\$ 1,452,642</b>	<b>\$ 3,286,876</b>	<b>\$ 41,228,181</b>	<b>\$ 5,939,835</b>	<b>\$ 697,782</b>	<b>\$ 6,637,617</b>	<b>\$ 47,865,798</b>

The accompanying notes are an integral part of these consolidated financial statements.

**THE TOLEDO ZOOLOGICAL SOCIETY**

**Consolidated Statement of Functional Expenses**

Year Ended December 31, 2022

	Program Expenses						Supporting Services			Total	
	Animal Care and Exhibitions	Park Operations	Conservation	Education	Membership Services	Awareness	Total Program Expenses	General and Administrative	Fundraising		Total Supporting Services
Salaries and wages	\$ 8,281,013	\$ 3,545,850	\$ 570,187	\$ 704,666	\$ 398,848	\$ 553,824	\$ 14,054,388	\$ 1,475,773	\$ 325,431	\$ 1,801,204	\$ 15,855,592
Fringe benefits	1,879,680	804,703	129,559	159,789	90,691	125,600	3,190,022	335,053	73,776	408,829	3,598,851
Cost of goods sold	-	3,254,858	-	-	-	-	3,254,858	-	-	-	3,254,858
Animal nutrition	728,412	-	-	-	-	-	728,412	-	-	-	728,412
Repairs and maintenance	1,110,981	17,440	-	3,931	-	-	1,132,352	-	-	-	1,132,352
Utilities	1,022,671	437,812	70,489	86,936	49,342	68,335	1,735,585	182,291	40,139	222,430	1,958,015
Professional and contracted services	739,364	182,917	-	247	276,832	23,199	1,222,559	363,008	33,416	396,424	1,618,983
Advertising and public relations	-	14,137	-	-	14,660	2,002,352	2,031,149	25,943	31,338	57,281	2,088,430
Processing fees	-	-	-	-	-	-	-	868,871	-	868,871	868,871
Insurance, licenses and taxes	8,049	23,825	-	-	-	-	31,874	474,307	200	474,507	506,381
Supplies	1,258,961	285,124	1,863	35,760	193,356	140,642	1,915,706	131,970	24,021	155,991	2,071,697
Training and education	58,703	9,277	3,794	14,797	4,763	10,922	102,256	83,332	14,345	97,677	199,933
Organizational dues	3,078	2,988	-	-	-	-	6,066	55,190	3,299	58,489	64,555
Animal acquisitions	131,688	-	-	-	-	-	131,688	-	-	-	131,688
Grants	4,505	-	369,593	8,838	-	-	382,936	-	-	-	382,936
Depreciation	3,934,128	1,684,226	271,163	334,435	189,814	262,878	6,676,644	701,259	154,412	855,671	7,532,315
Interest	33,604	-	-	-	-	-	33,604	-	-	-	33,604
Other	47,979	57,619	86,672	-	140	821	193,231	15,476	2,597	18,073	211,304
<b>Total expenses</b>	<b>\$ 19,242,816</b>	<b>\$ 10,320,776</b>	<b>\$ 1,503,320</b>	<b>\$ 1,349,399</b>	<b>\$ 1,218,446</b>	<b>\$ 3,188,573</b>	<b>\$ 36,823,330</b>	<b>\$ 4,712,473</b>	<b>\$ 702,974</b>	<b>\$ 5,415,447</b>	<b>\$ 42,238,777</b>

The accompanying notes are an integral part of these consolidated financial statements.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Consolidated Statements of Cash Flows

	Year Ended December 31	
	2023	2022
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 8,863,470	\$ 1,377,838
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Tax levies and contributions designated for capital improvements	(8,585,969)	(8,375,902)
Grants designated for capital improvements	(2,610,368)	(7,209,060)
Permanent endowment contributions	(2,302,286)	(545,498)
Depreciation	7,939,639	7,532,315
Net realized and unrealized (gains) losses on investment securities and perpetual trusts	(3,316,832)	5,534,135
Loss on disposal of property and equipment	52,382	1,001,771
Changes in operating assets and liabilities which (used) provided cash		
Accounts receivable	(111,451)	(72,191)
Inventory	44,639	(478,042)
Prepaid expenses and deposits	61,108	(336,428)
Accounts payable	(36,195)	(353,170)
Accrued payroll, vacation pay and payroll taxes	117,232	(123,554)
Deferred membership	287,624	239,384
Deferred revenue	21,078	(201,106)
<b>Net cash provided by (used in) operating activities</b>	<b>424,071</b>	<b>(2,009,508)</b>
<b>Cash flows from investing activities</b>		
Purchases and construction of property and equipment	(15,216,190)	(15,731,728)
Purchases of investment securities	(17,000,064)	(24,978,232)
Sales of investment securities	19,269,057	21,072,273
Proceeds from sale of property and equipment	-	5,737
<b>Net cash used in investing activities</b>	<b>(12,947,197)</b>	<b>(19,631,950)</b>
<b>Cash flows from financing activities</b>		
Net short term borrowings	248,219	2,842,130
Collections of tax levies and contributions designated for capital improvements	8,585,969	8,375,902
Collections of grants designated for capital improvements	4,966,124	4,755,697
Collections of permanent endowment contributions	2,381,496	98,987
Net payments related to charitable gift annuities	(3,490)	(5,313)
<b>Net cash provided by financing activities</b>	<b>16,178,318</b>	<b>16,067,403</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>3,655,192</b>	<b>(5,574,055)</b>
Cash and cash equivalents, beginning of year	3,489,903	9,063,958
<b>Cash and cash equivalents, end of year</b>	<b>\$ 7,145,095</b>	<b>\$ 3,489,903</b>
<b>Supplemental disclosures of cash flows information</b>		
Noncash capital activity	\$ 1,818,975	\$ 1,573,668
Interest paid	\$ 290,260	\$ 33,604

The accompanying notes are an integral part of these consolidated financial statements.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### 1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Organization*

The consolidated financial statements include the accounts of *The Toledo Zoological Society* (the "Society") and the *Toledo Zoological Society Foundation* (the "Foundation") (collectively, the "Organization"). All significant inter-organization balances and transactions have been eliminated in these consolidated financial statements.

The Society is a tax-exempt charitable organization. The Society's mission and program, which is functionally reported, is Inspire, Educate, Act, Enjoy. The Society inspires guests to join in being advocates for wildlife and conserving the natural world by providing fun, awe-inspiring, and educational experiences. By joining the Society, others help build a movement that cares for animals and values wildlife's shared place in our world. The Society's support comes primarily from tax levies, park operations, admissions, memberships, special events and programs, grants and contributions from donors and the Foundation.

The Foundation is a nonprofit organization that was formed in 2001 to receive, hold, invest and administer donor-restricted contributions, gifts, and grants from the general public for the benefit of the Society. The Society was the sole member of the Foundation. During 2023, management created a new nonprofit entity, River Horse Wildlife Conservancy ("River Horse"), which became the sole member of both the Foundation and the Society. River Horse had no activity during 2023. The Society's board makes up the majority of the River Horse board. It has been determined that the Society is able to exercise significant control over the Foundation.

#### *Basis of Presentation*

Net assets, revenues, gains (losses), and other support are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment (See Note 13). Additionally, the governing board had designated, from net assets without donor restrictions, net assets for board-designated-other of \$9,472,608 and \$9,176,267 as of December 31, 2023 and 2022, respectively, which is primarily for contingencies and major maintenance.

*Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note 8.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### *Use of Estimates*

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

### *Cash and Cash Equivalents*

The Organization considers all investment instruments with maturities of three months or less from date of purchase to be cash equivalents. The Organization's cash equivalents consist primarily of money market funds invested in United States Treasury securities. The Organization has not experienced any credit losses and does not believe it is exposed to any significant credit losses on these funds.

The Organization maintains its checking and savings accounts at various commercial banks. Balances on deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to specified limits; however, balances in excess of FDIC limits are uninsured. Management does not believe the Organization is exposed to any significant interest rate or other financial risk as a result of these deposits.

### *Fair Value Measurements*

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all-significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of fair value measurements, refer to Note 3 to these consolidated financial statements.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### *Investment Securities*

Investment securities are carried at fair value. Fair value is determined based upon quoted market values, if available, or if not available, estimated amounts are provided by the bank trustees. Investment securities acquired by gift or bequest are recorded at fair value on the date of gift and such amount is considered the cost of the security. Any realized gain or loss on the sale of a security is determined using the cost basis of the security sold. Income from investments, including realized and unrealized gains and losses, is allocated among net assets with donor restrictions and without donor restrictions based on donor restrictions or the absence thereof. Investment return, net of fees is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, distributions from and change in value of beneficial interest in perpetual trusts, less external investment expenses.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in these consolidated financial statements.

### *Contributions Receivable*

Unconditional promises to give that are expected to be collected within one year are carried at the amount the Organization expects to collect from balances outstanding at year-end. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the Foundation's risk adjusted rate. Amortization of the discounts is included in contribution revenue. The Organization has concluded that an allowance for doubtful accounts related to balances outstanding at year-end is not necessary. Uncollectible amounts that are still outstanding after management has used reasonable collection efforts are written-off through a charge to bad debts and a credit to contributions receivable.

### *Grants Receivable*

A grant receivable is recorded if all events and/or conditions thereof have been met but the related grant proceeds were not yet received at the end of the fiscal year. All grants receivable are expected to be collected in full during the next year.

### *Inventory*

Inventory is stated at the lower of cost or net realizable value with cost determined on the first-in, first-out ("FIFO") basis. Inventory consists of \$530,656 for gifts and souvenirs and \$290,331 for concessions as of December 31, 2023. Inventory consisted of \$563,341 for gifts and souvenirs and \$302,285 for concessions as of December 31, 2022.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### ***Property and Equipment and Depreciation***

The Organization capitalizes major additions to property and equipment at cost or fair value if acquired by gift. Depreciation of property and equipment is provided using the straight-line method based on the estimated useful lives of the individual assets which range from ten to fifty years for land improvements and buildings and structures, and five to twenty years for equipment.

Upon retirement, disposal or abandonment of property and equipment, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is reported in the consolidated statements of activities.

### ***Accounting for Impairment of Long-Lived Assets***

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparing the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment charges were recognized on long-lived assets in 2023 and 2022.

### ***Beneficial Interest in Perpetual Trusts***

The Organization is the income beneficiary of perpetual trusts held and administered by outside fiscal agents. Under the terms of the trusts, the Organization has the irrevocable right to receive the income earned on the trusts' assets in perpetuity, but will never receive the assets held in trust. The present value of the estimated future cash receipts from the trust is recognized as an asset and donor restricted contributed support at the date the trust is established. Distributions from the trust are recorded as investment return, and the carrying value of the assets are adjusted annually for changes in the estimates of future receipts.

### ***Revenue Recognition***

The Organization records as revenue the following types of contributions when they are received unconditionally, at their fair value: cash, promises to give, certain donated services and gifts of long-lived and other assets. Conditional contributions, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The Organization's grants and appropriations (including tax levies from Lucas County) are considered to be nonexchange transactions for purposes of applying revenue recognition policies.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

Certain grants are considered conditional contributions and are recorded as revenue when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances on conditional contributions. Conditional grant revenue is recognized directly into net assets without donor restrictions if the restrictions are met in the same period that the revenue is recognized in the consolidated financial statements. Conditional promises to give, for various capital projects and programs amounted to approximately \$1,017,000 as of December 31, 2023.

The Organization recognizes revenue from ticket sales, parking and rides at the time of admission. Sales from concessions and gift shops are recognized at the time of sale, point of sale. The sales are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing goods or services to the customer. Customers pay for goods sold on a stand-alone selling price basis at the point of sale which occurs at a point in time. Control is transferred immediately to the customer at the point of sale. Certain retail transactions provide customer with several direct opportunities that are considered performance obligations:

- The Organization provides member and employee discounts for purchases at the gift shops and concessions.
- The Organization allows customers to purchase gift certificates on a stand-alone selling price basis. Customers can use the gift certificate to make purchases as if the gift certificate was cash.
- The Organization provides for a right of return to the customer for purchased goods, allowing a customer to get "in-store credit" in the amount of the selling price of the goods being returned. Admissions are generally not refundable.

The Organization has not reported a liability for estimated returns or discounts, as the amounts are not considered to be material to the consolidated financial statements. The Organization has reported a liability for outstanding gift cards within deferred revenue on the consolidated statements of financial position.

Membership dues, which are nonrefundable, are composed of an exchange element based on the value of benefits provided and a contribution element for the amount in excess of the value of benefits provided, if any. The exchange element is recognized within the fiscal year in which memberships are received and consumed. The contribution element is recognized as received, as noted above. Annual memberships are offered at posted rates for individuals, families and grandparents. The member pays for and begins receiving membership benefits upfront, and the performance obligation of the exchange element is satisfied over time as the benefits are consumed. Memberships are purchased throughout the year and primarily used by the end of the fiscal year given the seasonality of the Organization's operations. A portion of membership fees are deferred at year end and will be recognized as membership benefits are consumed.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

Accounts receivable, deferred membership (see Note 6), and deferred revenue from contracts with customers were as follows for the years ended December 31:

	2023	2022	2021
Accounts receivable	\$ 677,304	\$ 565,853	\$ 493,662
Deferred membership	\$ 2,268,785	\$ 1,981,161	\$ 1,741,777
Deferred revenue	\$ 426,480	\$ 334,502	\$ 467,208

### ***Animal Collection***

Purchases of animals are charged to expense and no value of the animal collection is reported in the consolidated statements of financial position. Additions to these collections acquired other than by purchases are not assigned a value and are not accounted for in the accounts of the Society.

### ***Advertising Costs***

The cost of advertising and public relations are expensed as incurred. The Organization incurred \$1,994,103 and \$2,088,430 in advertising and public relations expense during 2023 and 2022, respectively.

### ***Income Taxes***

The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"), except on net income derived from unrelated business activities from the operation of its gift shop, catering and rental of party space, and the Foundation is exempt under Section 501(a) of the IRC. The Society recorded no tax expense for this unrelated business activity for the years ended December 31, 2023 and 2022. The Society and the Foundation are also exempt from state and local taxes under the laws of the State of Ohio for nonprofit organizations. Accordingly, no provision for federal, state or local income taxes has been recorded in these consolidated financial statements for these entities. The Society and Foundation have been classified as not a private foundation.

The Society and the Foundation's management has evaluated uncertain income tax positions and believe there are no such positions of significance at December 31, 2023 and 2022, that are required to be recorded or disclosed in these consolidated financial statements. The Society and the Foundation's federal Exempt Organization Business Income Tax Returns (Forms 990T) for all open tax years (2020 through 2023) remain subject to examination by the Internal Revenue Service, generally for three years after they were filed.

### ***Functional Allocation of Expenses***

The cost of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Natural expenses attributable to more than one functional expense category are allocated on the basis of either specific identification or salaries and salary related expenses, whichever is more appropriate. Salaries and salary related expenses are allocated on the basis of estimated time spent for each function. Although the methods of allocation are considered reasonable, other methods could be used and produce different amounts.

### ***Recent Accounting Pronouncement***

The Financial Accounting Standards Board issued Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, in June 2016. The standard replaced the incurred loss impairment methodology with a new methodology that reflects current expected credit losses ("CECL") on financial assets, including receivables, held-to-maturity debt securities, and certain off-balance sheet commitments. The new methodology requires the measurement of all expected credit losses based on historical experience, current economic conditions, and reasonable and supportable forecasts. The standard also expands the required quantitative and qualitative disclosures for expected credit losses. On January 1, 2023, the Organization adopted the standard using a modified retrospective method. The adoption of this standard did not have a material impact on the consolidated financial statements and disclosures.

### ***Subsequent Events***

In preparing these consolidated financial statements, the Organization has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2023, the most recent consolidated statement of financial position presented herein, through May 7, 2024, the date these consolidated financial statements were available to be issued. No significant such events or transactions were identified.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of December 31:

	2023	2022
Cash and cash equivalents	\$ 7,145,095	\$ 3,489,903
Grant receivable	97,607	2,453,363
Accounts receivable	677,304	565,853
Levy receivable	10,000	10,000
Investment securities	29,098,698	28,106,089
Less: board-designated for endowment	(12,644,102)	(11,278,273)
Less: board-designated other	(9,472,608)	(9,176,267)
Distributions from beneficial interest in perpetual trusts	42,787	46,140
Less: donor restricted net assets - subject to:		
Expenditure for specified purpose	(7,781,881)	(6,718,907)
Passage of time	(46,228)	(42,445)
Endowment spending policy and appropriation	(5,195,556)	(2,603,756)
	<u>\$ 1,931,116</u>	<u>\$ 4,851,700</u>

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowment. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment of \$12,644,102 and \$11,278,273 as of December 31 2023 and 2022, respectively, is subject to an annual spending rate as described in Note 13. Although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of the Organization's liquidity plan, tax levies, admissions, membership and park operations revenue and contributions, bequests, and grants and other revenue without donor or other restrictions limiting their use are available for general expenditures, within one year of the consolidated statement of financial position date. Additionally, to help manage unanticipated liquidity needs, the Organization has a line of credit with maximum borrowing of \$15,000,000 (of which there was \$3,090,349 outstanding as of December 31, 2023 and \$2,842,130 outstanding as of December 31, 2022), which it could draw upon.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### 3. INVESTMENT SECURITIES AND FAIR VALUE MEASUREMENTS

The Organization utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Investments and beneficial interest in perpetual trusts are recorded at fair value on a recurring basis.

Following is a description of the valuation methodologies and key inputs used to measure financial assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified.

The Organization classifies its investments in mutual funds and exchange traded funds as Level 1 in the fair value hierarchy since the values are based on their quoted prices in active markets.

The Organization classifies its corporate bonds and treasury notes as Level 2 in the fair value hierarchy as measurement is valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, all of which are observable in the market.

The Organization classifies the beneficial interest in perpetual trusts as Level 3 in the fair value hierarchy. The underlying trust assets cannot be liquidated or redeemed by the Organization. As such, no quoted prices or active market are available for these assets. As a practical expedient, the carrying value of the assets is deemed equal to the fair value of the total investments held in the trusts.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

The following tables set forth by level, within the fair value hierarchy, the recorded amount of assets measured at fair value on a recurring basis at December 31:

2023	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds				
Small cap	\$ 1,980,041	\$ -	\$ -	\$ 1,980,041
Mid cap	1,792,735	-	-	1,792,735
Large cap	12,051,129	-	-	12,051,129
International	4,145,833	-	-	4,145,833
Fixed income	5,568,769	-	-	5,568,769
Real estate	309,879	-	-	309,879
Alternative	1,139,926	-	-	1,139,926
Exchange traded funds	234,181	-	-	234,181
Corporate bonds	-	936,599	-	936,599
Treasury notes	-	939,606	-	939,606
Beneficial interest in perpetual trusts	-	-	874,486	874,486
<b>Total assets at fair value</b>	<b>\$ 27,222,493</b>	<b>\$ 1,876,205</b>	<b>\$ 874,486</b>	<b>\$ 29,973,184</b>

2022	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds				
Small cap	\$ 2,154,791	\$ -	\$ -	\$ 2,154,791
Mid cap	2,370,544	-	-	2,370,544
Large cap	10,610,075	-	-	10,610,075
International	4,568,809	-	-	4,568,809
Fixed income	4,921,985	-	-	4,921,985
Real estate	691,511	-	-	691,511
Alternative	1,161,080	-	-	1,161,080
Exchange traded funds	207,540	-	-	207,540
Corporate bonds	-	435,644	-	435,644
Treasury notes	-	984,110	-	984,110
Beneficial interest in perpetual trusts	-	-	819,256	819,256
<b>Total assets at fair value</b>	<b>\$ 26,686,335</b>	<b>\$ 1,419,754</b>	<b>\$ 819,256</b>	<b>\$ 28,925,345</b>

## THE TOLEDO ZOOLOGICAL SOCIETY

### Notes to Consolidated Financial Statements

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets, consisting of the perpetual trust agreements, for the years ended December 31:

	2023	2022
Balance, January 1	\$ 819,256	\$ 1,028,536
Unrealized gains (losses) relating to instruments held at the reporting date	<u>55,230</u>	<u>(209,280)</u>
<b>Balance, December 31</b>	<b><u>\$ 874,486</u></b>	<b><u>\$ 819,256</u></b>

#### 4. CONTRIBUTION RECEIVABLE

The Organization is undergoing a capital campaign to obtain funds for the Master Plan of which there were no contributions pledged and outstanding as of December 31, 2023 and 2022, respectively. Campaign contributions of \$1,109,262 and \$1,015,498 were reported for the years ended December 31, 2023 and 2022, respectively, and are presented as donor restricted contributions in the consolidated statements of activities. During 2022, the Organization received a \$500,000 permanent endowment pledge, which is estimated to be collected as follows as of December 31:

	2023	2022
Less than one year	\$ 100,000	\$ 100,000
One to four years	<u>300,000</u>	<u>400,000</u>
	400,000	500,000
Less discount to present value, using discount rate of 6%	<u>32,699</u>	<u>53,489</u>
<b>Contribution receivable, net</b>	<b><u>\$ 367,301</u></b>	<b><u>\$ 446,511</u></b>

Management has concluded that an allowance for doubtful accounts related to this contribution receivable is not necessary.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers for the Organization for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Park operations - recognized point in time	\$ 12,918,730	\$ 10,504,119
Admissions - recognized point in time	7,467,808	6,051,778
Memberships - recognized over time	9,244,427	8,156,098
<b>Total</b>	<b><u>\$ 29,630,965</u></b>	<b><u>\$ 24,711,995</u></b>

Park operations (concessions, gift and souvenir sales, parking, rides, catering and facility rentals, and other) and admissions are recognized at a point in time as control does not transfer to the customer until the point of sale. As discussed in Note 1, certain variable consideration and customer rights have not been reported as a contract liability, as the amounts are not considered to be material to the consolidated financial statements. The exchange portion of memberships are recognized over time as the customer simultaneously receives and consumes the benefit of the services. See Note 6.

### 6. DEFERRED MEMBERSHIP

Deferred membership of \$2,268,785 and \$1,981,161 as of December 31, 2023 and 2022, respectively, represents performance obligations associated with membership fees with payments received and for which the benefits have not been fully realized. The deferred membership will be ratably recognized as membership benefits are consumed, with consideration of the Organization's seasonal activity. The following table provides information about significant changes to the contract liabilities for the years ended December 31:

	2023	2022
Deferred membership, beginning of year	\$ 1,981,161	\$ 1,741,777
Revenue recognized that was included in deferred membership at the beginning of the year	(1,981,161)	(1,741,777)
Increase in deferred revenue due to cash received during the period	2,268,785	1,981,161
<b>Deferred membership, end of year</b>	<b><u>\$ 2,268,785</u></b>	<b><u>\$ 1,981,161</u></b>

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### 7. BANK REVOLVING NOTE PAYABLE

The Society has available an unsecured \$15,000,000 bank revolving note due June 30, 2024 to be used for capital improvements and operating purposes. Interest at the Daily Simple SOFR (5.48% at December 31, 2023) is payable monthly. The outstanding balance at December 31, 2023 was \$3,090,349 at December 31, 2023 and \$2,842,130 at December 31, 2022.

The bank revolving note agreement contains certain customary financial covenants which require the Society to, among other stipulations, maintain a current ratio of no less than 1.5 to 1.0 and a debt service coverage ratio of 1.0 to 1.0.

### 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31:

	2023	2022
Subject to expenditure for specified purpose:		
Care of animals	\$ 1,670,620	\$ 1,489,835
Capital projects	5,501,009	4,852,304
Works progress administration		
buildings maintenance	287,759	262,517
Research and collaboration	119,325	102,751
Other programs	194,668	-
Accessibility	8,500	11,500
	<u>7,781,881</u>	<u>6,718,907</u>
Subject to passage of time:		
Charitable gift annuities, time restrictions	46,228	42,445
Beneficial interests in perpetual trusts	874,486	819,256
Endowment receivable - accessibility	367,301	446,511
Endowments held in perpetuity:		
General endowment	2,510,000	310,000
Care of animals endowment	181,184	171,184
Conda Zoo Teen endowment	544,393	489,254
Conda Zoo for All endowment	111,478	-
Carnivore Education center	1,578,103	1,446,862
Research and collaboration endowment	80,000	80,000
Camp Scholarship	180,398	96,456
Foundation WPA Building	10,000	10,000
	<u>5,195,556</u>	<u>2,603,756</u>
<b>Total</b>	<b><u>\$ 14,265,452</u></b>	<b><u>\$ 10,630,875</u></b>

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

The net assets released from donor restrictions in 2023 and 2022 amounted to \$1,330,690 and \$1,253,800, respectively. Such amounts related primarily to the satisfaction of property and equipment acquisitions.

### 9. RETIREMENT PLANS

The Society maintains a defined contribution plan covering salaried and bargaining unit employees. The plan provides for both a basic contribution for all employees as well as matching contributions, up to limits defined in the plans. Retirement expense relating to the plan was \$738,426 in 2023 and \$664,778 in 2022 and is reported in fringe benefits.

### 10. LEVY SUPPORT AND CONCENTRATION

The Society is the recipient of two Lucas County real estate tax levies. One levy, under contractual arrangements with the Board of Lucas County Commissioners, is specifically designated for capital improvements and was passed in November 2015 and will be collected through 2026. The second levy, for current operations, was passed as a renewal levy in 2021 for an additional five years with millage dropping from 0.75 mills to 0.65 mills, which will reduce the revenue generated by this levy by approximately \$750,000 per year. This levy will be collected through 2026. The capital improvements levy generated revenue of \$7,476,707 in 2023 and \$7,360,404 in 2022. The operating levy generated revenue of \$4,861,241 in 2023 and \$4,718,373 in 2022. Approximately 22% in 2023 and 27% in 2022 of the Society's consolidated revenues, gains (losses) and other support was obtained through Lucas County capital and operating real estate tax levies.

### 11. DONATED SERVICES

The recorded contributed fair value of donated services provided by doctors and paramedics to the Society's animals approximated \$41,000 in 2023 and \$49,000 in 2022. The contributed fair value of these services is measured at the cost to provide these services as provided by the service providers. Additionally, approximately 56,000 hours in 2023 and 62,000 hours in 2022 were volunteered for certain programs and fundraising events by non-specialized individuals for which no value has been assigned.

### 12. PROPERTY AND EQUIPMENT COMMITMENT

Construction in progress at December 31, 2023, relates to costs incurred with respect to various projects approved by the Board of Directors of the Society. Such projects relate to Carnivore area renovations, Reptile house area renovations, property redevelopment and other major maintenance and repair projects. These projects are estimated to cost an additional \$32.9 million and will be completed over the following 1 to 3 years. Funding for these projects will be from a capital campaign, capital improvements tax levy, and general operations.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### 13. ENDOWMENTS

The Organization's endowments consist of funds established for the benefit of the Society. Its endowments consist of both donor-restricted endowment funds and funds designated by the Board of Directors for the Society and Foundation ("Boards") to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Boards to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### *Interpretation of Relevant Law*

The Boards of the Organization have interpreted the State of Ohio's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. At December 31, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity:

- The original value of initial and subsequent gifts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment.
- Any accumulations to the endowment made in accordance with direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Boards in a manner consistent with the standard of prudence prescribed by UPMIFA. The Boards consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

#### *Return Objectives and Risk Parameters*

The Organization has adopted an investment policy for endowment assets that attempts to manage fund assets according to prudent standards as established in common trust law. Investment of the funds will be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The intent is for investments to be broadly diversified so as to participate in market growth. It is not the intent to dramatically allocate among asset classes in an attempt to "time" the markets.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### *Distribution Policy*

The Foundation has adopted a Statement of Distribution Policy ("Distribution Policy") to provide financial support to the Society as may be determined from time to time by the Board of Directors of the Foundation. The Distribution Policy is also designed to provide endowment protection and future growth to ensure the perpetuity of the funding of the Foundation.

It is the policy of the Foundation to make a distribution up to 5% of the previous three-year moving average market value of the Foundation, or a particular endowment, using the fund balances as of June 30 of each year.

### *Strategies Employed for Achieving Objectives*

In order to meet its needs, the investment strategy of the Organization is to emphasize total return; that is the aggregate return from realized and unrealized capital gains and losses and dividends and interest income.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Boards have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2023 and 2022, the Organization did not have any underwater endowments.

### *Endowment Net Asset Composition by Type of Fund as of December 31, 2023*

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment funds	\$ 12,644,102	\$ -	\$ 12,644,102
Donor restricted endowment funds	-	5,195,555	5,195,555
<b>Total funds</b>	<b>\$ 12,644,102</b>	<b>\$ 5,195,555</b>	<b>\$ 17,839,657</b>

# THE TOLEDO ZOOLOGICAL SOCIETY

## Notes to Consolidated Financial Statements

### *Changes in Endowment Net Assets for the Year Ended December 31, 2023*

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 11,278,273	\$ 2,603,756	\$ 13,882,029
Donation	239,419	2,381,496	2,620,915
Net investment return	1,767,638	308,683	2,076,321
Other changes:			
Appropriations of endowment assets for expenditure	(641,228)	(98,380)	(739,608)
<b>Endowment net assets, end of year</b>	<b>\$ 12,644,102</b>	<b>\$ 5,195,555</b>	<b>\$ 17,839,657</b>

### *Endowment Net Asset Composition by Type of Fund as of December 31, 2022*

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment funds	\$ 11,278,273	\$ -	\$ 11,278,273
Donor restricted endowment funds	-	2,603,756	2,603,756
<b>Total funds</b>	<b>\$ 11,278,273</b>	<b>\$ 2,603,756</b>	<b>\$ 13,882,029</b>

### *Changes in Endowment Net Assets for the Year Ended December 31, 2022*

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 13,766,038	\$ 2,906,675	\$ 16,672,713
Donation	26,718	98,987	125,705
Net investment loss	(1,892,670)	(314,906)	(2,207,576)
Other changes:			
Appropriations of endowment assets for expenditure	(621,813)	(87,000)	(708,813)
<b>Endowment net assets, end of year</b>	<b>\$ 11,278,273</b>	<b>\$ 2,603,756</b>	<b>\$ 13,882,029</b>



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

May 7, 2024

Board of Directors  
The Toledo Zoological Society  
Toledo, Ohio

We have audited the consolidated financial statements of *The Toledo Zoological Society* as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated May 7, 2024, which expressed an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in our audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



## THE TOLEDO ZOOLOGICAL SOCIETY

### Consolidated Schedules of Park Operations

	Year Ended December 31	
	2023	2022
<b>Park operations revenue</b>		
Concessions	\$ 5,045,232	\$ 3,758,953
Gifts and souvenirs	3,810,809	3,252,335
Parking	1,017,653	654,171
Rides	729,633	520,125
Catering and facility rentals	2,198,573	2,250,645
Tours	116,830	67,890
	<hr/>	<hr/>
<b>Total park operations revenue</b>	<b>12,918,730</b>	<b>10,504,119</b>
Cost of goods sold	3,821,104	3,254,858
	<hr/>	<hr/>
<b>Park operations gross profit</b>	<b>\$ 9,097,626</b>	<b>\$ 7,249,261</b>

See independent auditors' report on supplementary information.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Consolidating Statement of Financial Position

December 31, 2023

	Toledo Zoological Society	Toledo Zoological Society Foundation	Eliminations	Total
<b>ASSETS</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 294,509	\$ 6,850,586	\$ -	\$ 7,145,095
Intercompany receivable	1,068,375	(1,068,375)	-	-
Grant receivable	97,607	-	-	97,607
Contribution receivable, net	-	367,301	-	367,301
Accounts receivable	627,304	50,000	-	677,304
Levy receivable	10,000	-	-	10,000
Inventory	820,987	-	-	820,987
Prepaid expenses and deposits	660,310	10,271	-	670,581
Investment securities	-	29,098,698	-	29,098,698
Beneficial interest in perpetual trusts	874,486	-	-	874,486
Property and equipment				
Land and improvements	20,019,455	-	-	20,019,455
Buildings and structures	224,617,435	-	-	224,617,435
Equipment	12,173,862	-	-	12,173,862
Construction in progress	15,350,470	-	-	15,350,470
	272,161,222	-	-	272,161,222
Less accumulated depreciation	116,518,599	-	-	116,518,599
Net property and equipment	155,642,623	-	-	155,642,623
<b>Total assets</b>	<b>\$ 160,096,201</b>	<b>\$ 35,308,481</b>	<b>\$ -</b>	<b>\$ 195,404,682</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Bank revolving note payable	\$ 3,090,349	\$ -	\$ -	\$ 3,090,349
Accounts payable	3,296,970	3,974	-	3,300,944
Accrued payroll, vacation pay and payroll taxes	793,773	-	-	793,773
Deferred membership	2,268,785	-	-	2,268,785
Deferred revenue	426,480	-	-	426,480
<b>Total liabilities</b>	<b>9,876,357</b>	<b>3,974</b>	<b>-</b>	<b>9,880,331</b>
<b>Net assets</b>				
Without donor restrictions	148,723,218	22,116,709	418,972	171,258,899
With donor restrictions	1,496,626	13,187,798	(418,972)	14,265,452
<b>Total net assets</b>	<b>150,219,844</b>	<b>35,304,507</b>	<b>-</b>	<b>185,524,351</b>
<b>Total liabilities and net assets</b>	<b>\$ 160,096,201</b>	<b>\$ 35,308,481</b>	<b>\$ -</b>	<b>\$ 195,404,682</b>

See independent auditors' report on supplementary information.

# THE TOLEDO ZOOLOGICAL SOCIETY

## Consolidating Statement of Activities

Year Ended December 31, 2023

	Toledo Zoological Society	Toledo Zoological Society Foundation	Eliminations	Total
<b>Net assets without donor restrictions:</b>				
Revenues, gains (losses) and other support				
Tax levies	\$ 12,337,948	\$ -	\$ -	\$ 12,337,948
Park operations	12,918,730	-	-	12,918,730
Admissions	7,467,808	-	-	7,467,808
Memberships	9,244,427	-	-	9,244,427
Special events and programs	1,525,321	-	-	1,525,321
Zoo pals	164,501	-	-	164,501
Investment return, net of fees	-	2,704,465	-	2,704,465
Contributions and bequests	994,925	91,295	-	1,086,220
Grants and other revenue	6,159,160	299,403	(2,091,600)	4,366,963
Net assets released from restriction	11,501	1,319,189	-	1,330,690
<b>Total revenues, gains (losses) and other support</b>	<b>50,824,321</b>	<b>4,414,352</b>	<b>(2,091,600)</b>	<b>53,147,073</b>
<b>Expenses and other losses</b>				
<b>Program expenses:</b>				
Animal care and exhibitions	20,707,942	-	-	20,707,942
Park operations	12,256,254	-	-	12,256,254
Conservation	1,913,827	-	-	1,913,827
Education	1,610,640	-	-	1,610,640
Membership services	1,452,642	-	-	1,452,642
Awareness	3,286,876	-	-	3,286,876
Total program expenses	41,228,181	-	-	41,228,181
<b>Supporting services expenses:</b>				
General and administrative	5,939,835	-	-	5,939,835
Fundraising	456,171	2,752,183	(2,510,572)	697,782
Total supporting services expenses	6,396,006	2,752,183	(2,510,572)	6,637,617
<b>Other losses:</b>				
Loss on disposal of property and equipment	52,382	-	-	52,382
<b>Total expenses and other losses</b>	<b>47,676,569</b>	<b>2,752,183</b>	<b>(2,510,572)</b>	<b>47,918,180</b>
<b>Changes in net assets without donor restrictions</b>	<b>3,147,752</b>	<b>1,662,169</b>	<b>418,972</b>	<b>5,228,893</b>
<b>Net assets with donor restrictions:</b>				
Investment return, net of fees	55,231	1,270,320	-	1,325,551
Contributions and bequests	-	3,436,548	-	3,436,548
Grants and other revenue	622,140	-	(418,972)	203,168
Net assets released from restriction	(11,501)	(1,319,189)	-	(1,330,690)
<b>Changes in net assets with donor restrictions</b>	<b>665,870</b>	<b>3,387,679</b>	<b>(418,972)</b>	<b>3,634,577</b>
<b>Changes in net assets</b>	<b>3,813,622</b>	<b>5,049,848</b>	<b>-</b>	<b>8,863,470</b>
Net assets, beginning of year	146,406,222	30,254,659	-	176,660,881
<b>Net assets, end of year</b>	<b>\$ 150,219,844</b>	<b>\$ 35,304,507</b>	<b>\$ -</b>	<b>\$ 185,524,351</b>

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