

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combined Financial Statements

**September 30, 2021 and 2020
(With Independent Auditors' Report Thereon)**

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

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**Independent Auditors' Report on Basic Combined Financial Statements
and Supplementary Information**

The Board of Trustees
Lowry Park Zoological Society of Tampa, Inc.:

We have audited the accompanying combined financial statements of the Lowry Park Zoological Society of Tampa, Inc. and the Lowry Park Zoo Endowment Foundation, Inc. (collectively, the "Zoo"), which comprise the combined statements of financial position as of September 30, 2021 and 2020, and the related combined statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Zoo as of September 30, 2021 and 2020, and the 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining schedules and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2022, on our consideration of the Zoo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Zoo's internal control over financial reporting and compliance.

MAYER HOFFMAN McCANN P.C.

January 21, 2022
St. Petersburg, Florida

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combined Statements of Financial Position

September 30, 2021 and 2020

Assets	2021	2020
Cash and cash equivalents	\$ 15,414,077	3,360,212
Accounts and other receivables	977,794	490,376
Inventories	374,913	289,420
Prepaid expenses	1,470,581	771,655
Pledges receivable, net	2,391,953	1,243,128
Investments	21,899,947	16,950,379
Interest in KML Properties, LLC	357,768	406,268
Beneficial interest in assets held by the Community Foundation	581,309	456,141
Property and equipment, net	40,890,688	38,791,576
Cash restricted for long-term use	648,226	801,947
Total assets	<u>\$ 85,007,256</u>	<u>63,561,102</u>
Liabilities and Net Assets		
Liabilities:		
Lines of credit	\$ -	3,000,000
Accounts payable and accrued expenses	3,525,225	2,895,354
Deferred revenue	3,413,426	2,016,639
Capital leases	322,628	-
Long-term debt	2,365,204	2,990,225
Total liabilities	9,626,483	10,902,218
Net assets:		
Without donor restrictions:		
Operations surplus (deficit)	10,891,023	(3,509,529)
Property and equipment, net of related debt	38,241,163	35,804,775
Board-designated endowment funds	15,703,037	11,691,745
Total without donor restrictions	64,835,223	43,986,991
With donor restrictions	10,545,550	8,671,893
Total net assets	75,380,773	52,658,884
Total liabilities and net assets	<u>\$ 85,007,256</u>	<u>63,561,102</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combined Statement of Activities

For the Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Admissions charges	\$ 20,751,381	-	20,751,381
Restaurant and gift shop sales	6,534,980	-	6,534,980
Concessions, net	1,100,008	-	1,100,008
Fundraising and special events - net of direct expense of \$268,567	38,890	-	38,890
Education classes and programs	799,850	-	799,850
Interactive experiences	682,211	-	682,211
Contributions	706,591	2,503,830	3,210,421
Grants	11,164,239	1,041,885	12,206,124
Investment return, net	4,905,709	932,090	5,837,799
Other revenues	614,047	-	614,047
Net assets released from restrictions	2,604,148	(2,604,148)	-
Total revenues and support	49,902,054	1,873,657	51,775,711
Operating expenses:			
Program services:			
Animal collections and care	6,261,328	-	6,261,328
Merchandise and selling operations	2,257,430	-	2,257,430
Park operations and maintenance	9,397,845	-	9,397,845
Educational activities	836,540	-	836,540
Public policy, media, and community issues	414,439	-	414,439
Total program services	19,167,582	-	19,167,582
Support services:			
General and administrative	2,591,843	-	2,591,843
Development	804,315	-	804,315
Marketing and membership activities	2,901,356	-	2,901,356
Total support services	6,297,514	-	6,297,514
Total operating expenses	25,465,096	-	25,465,096
Change in net assets before other income (expense)	24,436,958	1,873,657	26,310,615
Other income (expense):			
Change in beneficial interest assets	125,168	-	125,168
Change in interest in KML Properties, LLC	(23,500)	-	(23,500)
Depreciation	(3,439,029)	-	(3,439,029)
Interest expense	(106,099)	-	(106,099)
Other expenses and losses	(145,266)	-	(145,266)
Change in net assets	20,848,232	1,873,657	22,721,889
Net assets at beginning of year	43,986,991	8,671,893	52,658,884
Net assets at end of year	\$ 64,835,223	10,545,550	75,380,773

See accompanying independent auditors' report and notes to combined financial statements.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combined Statement of Activities

For the Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Admissions charges	\$ 10,656,454	-	10,656,454
Restaurant and gift shop sales	2,972,828	-	2,972,828
Concessions, net	559,267	-	559,267
Fundraising and special events - net of direct expense of \$371,256	126,380	-	126,380
Education classes and programs	499,207	-	499,207
Interactive experiences	474,180	-	474,180
Contributions	1,605,170	660,331	2,265,501
Grants	2,940,957	1,086,965	4,027,922
Investment return, net	(166,009)	(47,770)	(213,779)
Other revenues	591,388	-	591,388
Net assets released from restrictions	2,519,063	(2,519,063)	-
Total revenues and support	22,778,885	(819,537)	21,959,348
Operating expenses:			
Program services:			
Animal collections and care	5,839,550	-	5,839,550
Merchandise and selling operations	1,402,867	-	1,402,867
Park operations and maintenance	7,776,743	-	7,776,743
Educational activities	796,492	-	796,492
Public policy, media, and community issues	375,981	-	375,981
Total program services	16,191,633	-	16,191,633
Support services:			
General and administrative	2,158,672	-	2,158,672
Development	643,499	-	643,499
Marketing and membership activities	2,424,111	-	2,424,111
Total support services	5,226,282	-	5,226,282
Total operating expenses	21,417,915	-	21,417,915
Change in net assets before other income (expense)	1,360,970	(819,537)	541,433
Other income (expense):			
Change in beneficial interest assets	5,939	-	5,939
Change in interest in KML Properties, LLC	16,000	-	16,000
Depreciation	(3,228,978)	-	(3,228,978)
Interest expense	(167,595)	-	(167,595)
Other expenses and losses	(28,077)	-	(28,077)
Change in net assets	(2,041,741)	(819,537)	(2,861,278)
Net assets at beginning of year	46,028,732	9,491,430	55,520,162
Net assets at end of year	\$ 43,986,991	8,671,893	52,658,884

See accompanying independent auditors' report and notes to combined financial statements.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combined Statements of Cash Flows

For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 22,721,889	(2,861,278)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,439,029	3,228,978
Net realized and unrealized losses (gains) investments	(5,496,008)	682,992
Change in beneficial interest assets	(125,168)	(5,939)
Net decrease (increase) in KML Properties, LLC interest	23,500	(16,000)
Loss on disposal of property and equipment	146,082	31,702
Changes in operating assets and liabilities:		
Accounts and other receivables	(487,418)	(84,594)
Inventories	(85,493)	(21,442)
Prepaid expenses	(698,926)	242,378
Pledges receivable, net	(1,148,825)	443,745
Accounts payable and accrued expenses	307,969	(147,810)
Deferred revenue	1,396,787	671,891
Net cash provided by operating activities	19,993,418	2,164,623
Cash flows from investing activities:		
Distributions received from KML Properties, LLC	25,000	25,000
Proceeds from sales of investments	4,262,482	5,493,818
Purchases of investments	(3,716,042)	(4,009,925)
Purchases of property and equipment	(5,022,766)	(1,941,619)
Cash deposited with the Community Foundation	-	(2,500)
Net cash used in investing activities	(4,451,326)	(435,226)
Cash flows from financing activities:		
Payments of obligations under capital leases	(16,927)	-
Net borrowings (repayments) on lines of credit	(3,000,000)	300,000
Payments on long-term debt	(625,021)	(412,609)
Net cash used in financing activities	(3,641,948)	(112,609)
Net change in cash and cash equivalents	11,900,144	1,616,788
Cash and cash equivalents at beginning of year	4,162,159	2,545,371
Cash and cash equivalents at end of year	\$ <u>16,062,303</u>	<u>4,162,159</u>

(Continued)

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combined Statements of Cash Flows - Continued

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 15,414,077	3,360,212
Cash restricted for long-term use	<u>648,226</u>	<u>801,947</u>
	<u>\$ 16,062,303</u>	<u>4,162,159</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 138,018</u>	<u>129,565</u>
Non-cash investing and financing activities:		
Change in accounts payable attributable to purchases of property and equipment	<u>\$ 321,902</u>	<u>228,110</u>
Change in long-term debt attributable to conversion of line of credit to term loan	<u>\$ -</u>	<u>1,968,431</u>
Equipment acquired under capital lease obligation	<u>\$ 339,555</u>	<u>-</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combined Statement of Functional Expenses

For the Year Ended September 30, 2021

	Program Services					Support Services					
	Animal Collections and Care	Merchandise and Selling Operations	Park Operations and Maintenance	Educational Activities	Public Policy, Media, and Community Issues	Total Program Services	General and Administrative	Development	Marketing and Membership Activities	Total Support Services	Total
Salaries and wages	\$ 2,772,306	537,416	5,033,829	619,522	67,695	9,030,768	1,258,272	413,807	811,310	2,483,389	11,514,157
Benefits and payroll taxes	870,677	101,384	1,122,679	129,661	14,081	2,238,482	244,829	87,590	157,116	489,535	2,728,017
Total salaries and related expenses	3,642,983	638,800	6,156,508	749,183	81,776	11,269,250	1,503,101	501,397	968,426	2,972,924	14,242,174
Merchandise purchases	-	1,475,564	-	-	-	1,475,564	-	-	-	-	1,475,564
Animal purchases and conservation	1,375,916	-	9,804	-	-	1,385,720	-	-	-	-	1,385,720
Advertising	-	-	-	-	123,455	123,455	-	-	1,419,735	1,419,735	1,543,190
Utilities	674,202	39,893	1,101,563	26,019	2,100	1,843,777	52,085	12,074	24,149	88,308	1,932,085
Travel	5,946	74	10,815	-	-	16,835	14,188	3,116	31,263	48,567	65,402
Insurance expense	128,436	30,237	160,989	20,033	641	340,336	12,020	8,013	7,372	27,405	367,741
Office expense	368,330	68,567	1,080,135	35,689	15,992	1,568,713	683,054	121,563	183,914	988,531	2,557,244
Professional fees	63,677	141	659,273	1,897	190,475	915,463	327,116	68,341	190,474	585,931	1,501,394
Donor cultivation and outreach	-	-	-	-	-	-	190	61,286	4,188	65,664	65,664
IT hardware and software	1,838	4,154	218,758	3,719	-	228,469	89	28,525	71,835	100,449	328,918
Total before interest and depreciation	6,261,328	2,257,430	9,397,845	836,540	414,439	19,167,582	2,591,843	804,315	2,901,356	6,297,514	25,465,096
Interest	-	-	-	-	-	-	106,099	-	-	106,099	106,099
Depreciation	1,421,552	295,317	1,544,114	167,952	-	3,428,935	6,597	212	3,285	10,094	3,439,029
Total	\$ 7,682,880	2,552,747	10,941,959	1,004,492	414,439	22,596,517	2,704,539	804,527	2,904,641	6,413,707	29,010,224

See accompanying independent auditors' report and notes to combined financial statements.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combined Statement of Functional Expenses

For the Year Ended September 30, 2020

	Program Services					Support Services					
	Animal Collections and Care	Merchandise and Selling Operations	Park Operations and Maintenance	Educational Activities	Public Policy, Media, and Community Issues	Total Program Services	General and Administrative	Development	Marketing and Membership Activities	Total Support Services	Total
Salaries and wages	\$ 2,702,623	484,017	3,620,442	513,514	90,648	7,411,244	1,150,343	371,226	630,188	2,151,757	9,563,001
Benefits and payroll taxes	708,063	94,005	782,605	131,926	15,628	1,732,227	158,811	59,166	114,340	332,317	2,064,544
Total salaries and related expenses	3,410,686	578,022	4,403,047	645,440	106,276	9,143,471	1,309,154	430,392	744,528	2,484,074	11,627,545
Merchandise purchases	-	689,246	-	-	-	689,246	-	-	-	-	689,246
Animal purchases and conservation	1,247,178	-	-	-	-	1,247,178	-	-	-	-	1,247,178
Advertising	-	-	-	-	116,053	116,053	-	-	1,334,613	1,334,613	1,450,666
Utilities	638,586	57,049	811,050	42,422	748	1,549,855	35,496	13,629	24,570	73,695	1,623,550
Travel	25,182	850	25,975	4,837	-	56,844	10,208	11,953	8,593	30,754	87,598
Insurance expense	112,485	26,476	123,453	35,089	561	298,064	10,527	7,018	6,457	24,002	322,066
Office expense	337,654	45,433	1,228,398	65,160	594	1,677,239	458,779	26,014	139,935	624,728	2,301,967
Professional fees	63,627	1,500	1,037,747	946	151,749	1,255,569	293,430	56,739	150,159	500,328	1,755,897
Donor cultivation and outreach	-	-	-	1,895	-	1,895	1,927	66,539	5,815	74,281	76,176
IT hardware and software	4,152	4,291	147,073	703	-	156,219	39,151	31,215	9,441	79,807	236,026
Total before interest and depreciation	5,839,550	1,402,867	7,776,743	796,492	375,981	16,191,633	2,158,672	643,499	2,424,111	5,226,282	21,417,915
Interest	-	-	-	-	-	-	167,595	-	-	167,595	167,595
Depreciation	1,460,344	292,993	1,294,020	167,539	-	3,214,896	9,998	212	3,872	14,082	3,228,978
Total	\$ 7,299,894	1,695,860	9,070,763	964,031	375,981	19,406,529	2,336,265	643,711	2,427,983	5,407,959	24,814,488

See accompanying independent auditors' report and notes to combined financial statements.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Notes to Combined Financial Statements

September 30, 2021 and 2020

(1) Description of the Organization, Nature of Operations and Principles of Combination

The combined financial statements are comprised of the accounts of the Lowry Park Zoological Society of Tampa, Inc., the Lowry Park Zoo Endowment Foundation, Inc. and the Lowry Park Zoo Endowment Foundation Holdings, LLC, a wholly owned subsidiary of the Lowry Park Zoo Endowment Foundation, Inc. (collectively the “Zoo”). All significant inter-organizational transactions have been eliminated in the combination.

Lowry Park Zoological Society of Tampa, Inc. (the “Society”) operates Zoo Tampa under an operating agreement with the City of Tampa, Florida. The mission of the corporation is to rescue, rehabilitate and care for animals and to create exceptional personalized experiences that connect people with wildlife and each other in fun, immersive ways. The mission is achieved by operating Zoo Tampa, a zoological garden that acquires, breeds and exhibits collections of wild animals, by promoting wildlife and habitat education and conservation, and by serving as a resource for its community regarding conservation and environmental matters affecting animals and habitats in the state of Florida and throughout the world. The purpose of the Society is to assist the rehabilitation, expansion, continuing operation, management and maintenance of Zoo Tampa for use by the general public for charitable, educational and other endeavors that enhance the culture and quality of life of the Tampa Bay area.

The Lowry Park Zoo Endowment Foundation, Inc. (the “Foundation”) was organized October 29, 1993 by the Society for the purpose of creating and managing endowment gifts and related assets of the Society. The sole member of the Foundation is the Society.

In July 2013, the Foundation formed Lowry Park Zoo Endowment Foundation Holdings, LLC (“Foundation, LLC”) for the purpose of managing and liquidating contributions or bequests of real property. The Foundation, LLC is a wholly owned subsidiary of the Foundation.

The Zoo leases from the City of Tampa, Florida the land and related infrastructure on which the Zoo is constructed. In March 2011, the lease was expanded to approximately 63 acres of land. The lease, due to expire in the year 2087, requires annual payments of \$100 and allows the Zoo to use and operate the premises as a zoological garden for the enjoyment and benefit of the public. The value is not readily determinable, and therefore has not been recorded.

The Zoo receives funding from the City of Tampa for operating support and capital improvements and from Hillsborough County for operating support.

The consolidated financial statements of the Foundation as of and for the years ended June 30, 2021 and 2020 have been included in these combined financial statements. Due to the fact that the Society and Foundation have different fiscal year-ends, certain amounts were adjusted as part of the elimination of amounts to properly eliminate inter-organizational transactions. Management believes that there have been no other intervening events that materially affect the financial position, changes in net assets, or cash flows.

LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.

Notes to Combined Financial Statements - Continued

(1) Description of the Organization, Nature of Operations and Principles of Combination - Continued

The following table shows the effects of the adjustment on the combined financial statements as of and for the years ended September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 32,331	412
Net assets, beginning of year	412	(3,781)
Interest income	31,919	4,193

(2) Significant Accounting Policies

(a) Basis of Accounting

The combined financial statements of the Zoo have been prepared on the accrual basis. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. In the accompanying combined financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Net assets with donor restrictions: Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Zoo reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying combined statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained in perpetuity while permitting the Zoo to spend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

(b) Estimates

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Notes to Combined Financial Statements - Continued

(2) Significant Accounting Policies - Continued

(c) Liquidity

Assets are presented in the accompanying combined statements of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

(d) Cash and Cash Equivalents

The Zoo considers cash and money market accounts of security brokers and money market reserve funds that are managed by the trust department of a commercial bank that serves the Zoo to be cash equivalents, unless restricted by a donor or by contract for long-term purposes. The cash equivalents are subject to immediate withdrawal and are not insured deposits.

(e) Accounts Receivable

Accounts receivable represent amounts owed from various third parties. None of the accounts receivable at September 30, 2021 and 2020 were deemed to be uncollectible. Therefore, no provision for uncollectible amounts has been made in the accompanying combined financial statements.

(f) Pledges Receivable

Pledges receivable represent unconditional promises to give by donors and are reflected in the combined financial statements at their net realizable value (see Note 3).

Management analyzes the collectability of pledges receivable and records a valuation allowance as considered necessary.

(g) Inventories

Inventories consist of merchandise held for sale by the Zoo's stores and food for animals and are stated at the lower of cost (first-in, first-out method) or net realizable value.

(h) Investments

Investments are reported at fair value based on quoted market prices with realized and unrealized gains and losses recognized in the combined statements of activities. Contributions received in the form of marketable securities are recorded at the fair value of the security on the date of the contribution.

(i) Property and Equipment

Property and equipment are stated at cost, if purchased, or at estimated fair value at date of receipt, if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 3 to 40 years. The Zoo follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000.

LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(2) Significant Accounting Policies - Continued

(j) Impairment of Long-Lived Assets

In accordance with Accounting Standard Codification (“ASC”) Topic 360, *Property, Plant, and Equipment*, long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated, undiscounted future cash flows expected to be generated from the use and eventual disposition of the asset, excluding interest. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the combined statements of financial position and reported at the lower of carrying amount or fair value, less costs to sell, and are no longer depreciated.

In addition to consideration of impairment upon events or changes in circumstances described above, management regularly evaluates the remaining lives of its long-lived assets. If estimates are revised, the carrying value of affected assets is depreciated or amortized over the revised remaining lives.

(k) Advertising

The Zoo’s policy is to expense advertising costs as incurred. Advertising costs were approximately \$1,543,000 and \$1,451,000 during the years ended September 30, 2021 and 2020, respectively.

(l) Revenue Recognition

Admissions revenue consists of single-day tickets, annual memberships or pay for a day come back all year tickets (Pay for a Day) and is shown net of discounts. Restaurants, concessions, gift shops, interactive experiences, and other revenue primarily consists of culinary, merchandise and other in-park products and other miscellaneous revenue, which is not significant in the periods presented. For single-day tickets, the Zoo recognizes revenue at a point in time, upon admission. For restaurants, concessions, gift shops, interactive experiences, and other in park products, the Zoo recognizes revenue when the related products or services are received by the guest. For annual memberships and Pay for a Day tickets, revenue is deferred and recognized over the terms of the admission product based on estimated redemption rates for similar products and is adjusted periodically. The Zoo estimates a redemption rate using historical and forecasted growth rates and attendance trends at the Zoo. Attendance trends are adjusted based on actual trends periodically. Revenue is recognized on a pro-rata basis based on the estimated allocated selling price of the admission product. In fiscal 2020, the Zoo extended the annual pass period 3 months for passes impacted by the Zoo closure in response to the novel coronavirus (see Note 21). Pay for a Day revenue is recognized 85% at the time of the sale and the remaining 15% is recognized on a declining basis over the Pay for a Day period, which ranges from 3 to 14 months.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(2) Significant Accounting Policies - Continued

(m) Contributions

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

A portion of the Zoo's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Zoo has incurred expenditures in compliance with specific contract or grant provisions. The Zoo received cost-reimbursable grants of approximately \$663,000 that have not been recognized at September 30, 2021 because qualifying expenditures have not yet been incurred. Amounts received prior to incurring qualifying expenditures are reported as a component of deferred revenue in the combined statement of financial position.

Gifts to the Foundation received from solicitations undertaken jointly with the Society are received with donors' restrictions. Unless otherwise designated by donors, earnings from gifts are available for and limited to distribution to the Society for its unrestricted use.

Revenues and receivables from bequests are recognized when the probate court declares the will valid and the value of the interest in the estate is reasonably determinable. The contribution is recognized at fair value and classified as an increase in net assets without donor restrictions unless restricted by the donor. Present value techniques are applied to the anticipated cash flows when collection over a period of time greater than one year is anticipated.

(n) Concentration of Credit Risk

Financial instruments that potentially subject the Zoo to concentrations of credit risk consist principally of cash and cash equivalents and accounts and pledges receivable. The Zoo places its cash and deposits with high-quality, credit-worthy financial institutions.

Two donors accounted for approximately 58% of pledges receivable at September 30, 2021 and four donors accounted for approximately 69% of pledges receivable at September 30, 2020. Accounts receivable are comprised of a variety of customers in various industries. Management does not believe that concentrations exist with respect to accounts receivable.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(2) Significant Accounting Policies - Continued

(o) Going Concern Evaluation

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Zoo performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Zoo's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued. Management's assessment did not indicate that substantial doubt is raised about the ability to remain a going concern for one year from the date the combined financial statements were available for issuance.

(p) Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the combined statements of functional expenses. Expenses directly attributable to a specific functional area of the Zoo are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on a square footage analysis for all indirect occupancy-related expenses.

(q) Animal Collections

Animals purchased and donated are not included in the combined statements of financial position. The cost of animals purchased is included as a part of animal purchases and conservation, a program service expense.

(r) Cash Restricted for Long-Term Use

Cash restricted for long-term use consists of amounts restricted by the donor or grantor for specific programs and campaign expenses.

(s) Reclassifications

Certain amounts in the 2020 combined financial statements have been reclassified to conform to the 2021 presentation.

(t) Income Tax Status

Income taxes are not provided for in the combined financial statements since the Zoo is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Zoo has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(2) Significant Accounting Policies - Continued

(t) Income Tax Status - Continued

As described in Note 1, the Foundation is the sole member of Foundation, LLC. Foundation, LLC is an entity that is disregarded from its sole member for income tax purposes, and as such, the assets, liabilities and operations of the Foundation, LLC are included directly with the Foundation for income tax purposes. Additionally, as described in Note 5, the Foundation, LLC is a 25% member in KML Properties, LLC ("KML, LLC"). KML, LLC is an entity treated as a partnership for income tax purposes, where income taxes are the responsibilities of its members. Neither the operations of Foundation, LLC nor the operations attributable to the 25% member interest in KML, LLC are subject to federal or state income taxes, due to the Foundation's status under Internal Revenue Code Section 501(c)(3). Accordingly, the Foundation does not include a provision for federal or state income taxes.

The Zoo follows ASC Topic 740, *Income Taxes*. A component of this topic prescribes a recognition and measurement standard for uncertain tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Zoo's policy is to recognize interest and penalties associated with tax positions under this standard as a component of income tax expense, and none were recognized since there was no material impact of the application of this standard for the years ended September 30, 2021 and 2020. The Zoo's information returns are open to Internal Revenue Service examination for the 2017 tax year ended September 30, 2018 and all subsequent tax years.

(u) Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, that will supersede most current revenue recognition guidance. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Additionally, the guidance requires disclosures related to the nature, amount, timing and uncertainty of revenue that is recognized. In August 2015, the FASB issued ASU No. 2015-14, which deferred the provisions of ASU No. 2014-09 to annual reporting periods beginning after December 15, 2018. In June 2020, the FASB issued ASU No. 2020-05, which deferred the effective date for all entities that had not yet adopted Topic 606 to annual reporting periods beginning after December 15, 2020. On October 1, 2020 the Zoo adopted ASC Topic 606 using the modified retrospective approach. In connection with adoption, the Zoo determined that no transition adjustment was necessary as of October 1, 2020 after application of the standard.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(2) Significant Accounting Policies - Continued

(u) Recent Accounting Pronouncements - Continued

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the combined statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the combined statement of activities. In June 2020, the FASB issued ASU No. 2020-05, which deferred the effective date for all entities that had not yet adopted Topic 842 to annual reporting periods beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the combined financial statements, with certain practical expedients available. The Zoo is currently evaluating the full effect that the adoption of this standard will have on the combined financial statements.

(3) Pledges Receivable

Pledges receivable at September 30, 2021 were as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Total unconditional pledges	\$ 2,581,000	-	2,581,000
Less allowance for uncollectible pledges	(129,050)	-	(129,050)
Discount for present value (3.0%)	(59,997)	-	(59,997)
Net pledges receivable	<u>\$ 2,391,953</u>	<u>-</u>	<u>2,391,953</u>

Pledges receivable at September 30, 2020 were as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Total unconditional pledges	\$ 1,354,785	-	1,354,785
Less allowance for uncollectible pledges	(67,739)	-	(67,739)
Discount for present value (3.0%)	(43,918)	-	(43,918)
Net pledges receivable	<u>\$ 1,243,128</u>	<u>-</u>	<u>1,243,128</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(3) Pledges Receivable - Continued

Maturities of pledges receivable at September 30, 2021 are as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Gross amounts due:			
Within one year	\$ 1,317,400	-	1,317,400
One to five years	1,218,600	-	1,218,600
More than five years	45,000	-	45,000
	<u>\$ 2,581,000</u>	<u>-</u>	<u>2,581,000</u>

(4) Interest in KML Properties, LLC

The Foundation had a one-quarter interest in a charitable trust foundation (“CTF”), established by the trustees of a decedent’s estate, of which the Foundation was a named beneficiary. In accordance with the decedent’s estate, the CTF was terminated during the year ended June 30, 2014. KML, LLC received the real property assets of the CTF, as part of its termination, for the purpose of holding the real property assets until such time as they are sold. The Foundation received a 25% membership interest in KML, LLC, which is fully held by Foundation, LLC at September 30, 2021 and 2020. In accordance with generally accepted accounting principles in the United States of America, the Foundation accounts for its investment in KML, LLC by the equity method. The Foundation shares in the earnings or losses and records its share of such earnings (losses) in the combined statements of activities as “Change in interest in KML Properties, LLC” and the carrying value of the Foundation’s investment in unconsolidated affiliates is recorded in the Combined Statements of Financial Position as “Interest in KML Properties, LLC.” As of September 30, 2021 and 2020, the largest assets held by KML, LLC are fixed assets, which are valued at historical cost, net of accumulated depreciation.

(5) Investments

Investment classifications are as follows at September 30, 2021:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Mutual funds	\$ 1,183,117	20,269,312	21,452,429
Common collective trusts	-	447,518	447,518
	<u>\$ 1,183,117</u>	<u>20,716,830</u>	<u>21,899,947</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(5) Investments - Continued

Investment classifications are as follows at September 30, 2020:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Common stock	\$ -	155,904	155,904
Mutual funds	973,030	15,448,036	16,421,066
Common collective trusts	-	373,409	373,409
	<u>\$ 973,030</u>	<u>15,977,349</u>	<u>16,950,379</u>

The various investments in stocks, mutual funds and other instruments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the combined financial statements of the Zoo. The Zoo's investments in common stock, mutual funds or other investments are not concentrated in a single entity or in a few entities, nor are there any specific industry concentrations.

Investment return for the year ended September 30, 2021 is summarized as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Interest and dividends	\$ -	378,036	378,036
Realized and unrealized gains	210,616	5,285,392	5,496,008
Investment fees	-	(36,245)	(36,245)
Total	<u>\$ 210,616</u>	<u>5,627,183</u>	<u>5,837,799</u>

Investment return for the year ended September 30, 2020 is summarized as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Interest and dividends	\$ -	517,394	517,394
Realized and unrealized gains (losses)	108,858	(791,850)	(682,992)
Investment fees	-	(48,181)	(48,181)
Total	<u>\$ 108,858</u>	<u>(322,637)</u>	<u>(213,779)</u>

Included in the Society's investments is \$600,000 of State of Florida Cultural Endowment Funds at September 30, 2021 and 2020.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(6) Property and Equipment

Property and equipment consist of the following at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 9,017,894	9,017,894
Leasehold improvements	60,363,641	59,131,206
Machinery and equipment	4,335,573	3,755,665
Furniture and fixtures	201,569	171,627
Vehicles	705,173	341,632
Construction in progress	<u>3,272,456</u>	<u>894,523</u>
	77,896,306	73,312,547
Less accumulated depreciation	<u>(37,005,618)</u>	<u>(34,520,971)</u>
	<u>\$ 40,890,688</u>	<u>38,791,576</u>

(7) Line of Credit

The Society has a revolving line of credit with a financial institution that allows the Society to borrow up to \$3,000,000 at an interest rate of the greater of LIBOR plus 1.95% or 2.33% (2.33% at September 30, 2021). The line is secured by substantially all of the assets of the Society including existing and future pledges and matures in June 2023. The outstanding balance on the line of credit at September 30, 2021 and 2020 was \$0 and \$3,000,000, respectively. The Zoo is subject to certain financial covenants, with which it was in compliance at September 30, 2021.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(8) Long-Term Debt

(a) Long-Term Debt

The Zoo's long-term debt obligations at September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Note payable to financial institution; interest payable monthly at 88.723% of LIBOR plus 2.84% (2.59% at September 30, 2021) through July 2015; beginning August 2015, level payments of principal and interest are based on a twenty year amortization and are payable monthly; secured by all business assets, matures February 2034.	\$ 1,462,889	1,686,910
Note payable to financial institution, originally financed as a line of credit converted to a term loan; interest payable monthly at LIBOR plus 2.25% (2.33% at September 30, 2021) through February 2024; level payments of principal are due annually based on a five year amortization schedule; secured by all business assets, matures February 2024.	<u>902,315</u>	<u>1,303,315</u>
	<u>\$ 2,365,204</u>	<u>2,990,225</u>

The promissory notes payable to the bank include certain financial and nonfinancial covenants. At September 30, 2021, the Zoo was in compliance these covenants or had obtained a waiver relating to any noncompliance.

Maturities of long-term debt at September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	
2022	\$ 625,020
2023	625,020
2024	324,335
2025	224,020
2026	224,020
Thereafter	<u>342,789</u>
	<u>\$ 2,365,204</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(8) Long-Term Debt - Continued

(b) Notes Payable to Affiliate

On June 15, 2013, a promissory note was entered into between the Society (borrower) and the Foundation (lender) for \$2,372,000. The proceeds of this note were used by the Society to extinguish its open notes payable balances. The note bears interest at 2% per annum through July 15, 2016 and at a variable rate of 2.46% thereafter. Payments were interest only through July 15, 2016, at which time monthly principal payments of \$11,627 plus interest are payable through maturity of June 15, 2033. On November 1, 2017, the promissory note was amended to suspend principal payments until September 2020 and extended the maturity date until May 15, 2035. On April 1, 2020, the promissory note was amended to suspend principal and interest payments until April 2021 and extended the maturity date until May 15, 2036.

On May 9, 2018, a revolving loan was entered into between the Society (borrower) and the Foundation (lender) for a maximum, aggregate, outstanding principal amount of \$1,000,000. Interest shall accrue daily on the outstanding principal amount at 2.72% per annum through maturity of May 8, 2023.

The outstanding balances of these notes are eliminated in combination.

(9) Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at September 30, 2021:

	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Subject to use restrictions:			
Contributions and grants for long-term use	\$ 127,190	-	127,190
Capital contributions for long-term use	243,922	-	243,922
Undistributed gains restricted for specific programs	<u>-</u>	<u>2,035,450</u>	<u>2,035,450</u>
	371,112	2,035,450	2,406,562
Subject to time restrictions:			
Pledges receivable	2,159,535	-	2,159,535
Net assets held in perpetuity:			
Donor restricted endowment funds	<u>600,000</u>	<u>5,379,453</u>	<u>5,979,453</u>
	<u>\$ 3,130,647</u>	<u>7,414,903</u>	<u>10,545,550</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(9) Net Assets With Donor Restrictions - Continued

Net assets with donor restrictions consist of the following at September 30, 2020:

	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Subject to use restrictions:			
Contributions and grants for long-term use	\$ 234,930	-	234,930
Capital contributions for long-term use	567,017	-	567,017
Undistributed gains restricted for specific programs	<u>-</u>	<u>1,100,470</u>	<u>1,100,470</u>
	801,947	1,100,470	1,902,417
Subject to time restrictions:			
Pledges receivable	790,023	-	790,023
Net assets held in perpetuity:			
Donor restricted endowment funds	<u>600,000</u>	<u>5,379,453</u>	<u>5,979,453</u>
	<u>\$ 2,191,970</u>	<u>6,479,923</u>	<u>8,671,893</u>

(10) Endowment

The Foundation's endowment consists of individual named funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. The Society's endowment consists of funds received from the State of Florida and related matching gifts. As required by generally accepted accounting principles in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

ASC Subtopic 958-205, *Reporting Endowment Funds*, provides guidance on the net asset classification of donor-restricted endowment funds of a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and additional disclosures about an organization's endowment funds. In July 2011, the Legislature of the State of Florida enacted the Florida Uniform Prudent Management of Institutional Funds Act ("FLUPMIFA"), which became effective July 1, 2012. There were no changes to the Foundation's financial position as a result of enacting the legislation.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(10) Endowment - Continued

Interpretation of Relevant Law - Continued

The Board of Directors of the Foundation has interpreted FLUPMIFA 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. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which is available for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FLUPMIFA. In accordance with FLUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The purposes of the Foundation
2. The intent of the donors to the endowment fund
3. The terms of the applicable instrument
4. The long-term and short-term needs of the Foundation in carrying out its purposes
5. The general economic conditions
6. The possible effect of inflation or deflation
7. The other resources of the Foundation
8. Perpetuation of the endowment

Endowment net asset composition by type of fund as of September 30, 2021:

		Without Donor Restrictions	With Donor Restrictions		Total Funds
			Original Gift	Accumulated Gains	
Donor-restricted endowment funds	\$	-	5,979,453	1,956,157	7,935,610
Board-designated endowment funds		15,703,037	-	-	15,703,037
Total funds	\$	15,703,037	5,979,453	1,956,157	23,638,647

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(10) Endowment - Continued

Interpretation of Relevant Law - Continued

Changes in endowment net assets for the year ended September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 11,691,745	7,079,923	18,771,668
Contributions	33,866	-	33,866
Change in beneficial interest	125,168	-	125,168
Distributions from KML Properties, LLC	25,000	-	25,000
Investment income, net	212,041	129,750	341,791
Net appreciation	4,483,052	802,340	5,285,392
Net assets released from restrictions	-	(76,403)	(76,403)
Net assets undesignated	(867,835)	-	(867,835)
Endowment net assets at end of year	<u>\$ 15,703,037</u>	<u>7,935,610</u>	<u>23,638,647</u>

Endowment net asset composition by type of fund as of September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions			Total Funds
		Original Gift	Accumulated Gains	Total	
Donor-restricted endowment funds	\$ -	5,979,453	1,100,470	7,079,923	7,079,923
Board-designated endowment funds	11,691,745	-	-	-	11,691,745
Total funds	<u>\$ 11,691,745</u>	<u>5,979,453</u>	<u>1,100,470</u>	<u>7,079,923</u>	<u>18,771,668</u>

Changes in endowment net assets for the year ended September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 13,880,810	7,202,215	21,083,025
Contributions	15,784	-	15,784
Change in beneficial interest	21,939	-	21,939
Distributions from KML Properties, LLC	25,000	-	25,000
Investment income, net	399,695	69,518	469,213
Net depreciation	(674,562)	(117,288)	(791,850)
Net assets released from restrictions	-	(74,522)	(74,522)
Net assets undesignated	(1,976,921)	-	(1,976,921)
Endowment net assets at end of year	<u>\$ 11,691,745</u>	<u>7,079,923</u>	<u>18,771,668</u>

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Notes to Combined Financial Statements - Continued

(10) Endowment - Continued

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the investment objective is to generate a total rate of return, net of all investment management costs and fees, from all authorized investments that is equal to or greater than returns of the appropriate indices identified for the calculation of an overall performance return comparison.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of distributing up to 5% of the three year average of prior fiscal year-end market values of investments, in general, as approved by the Board of Directors. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to conservatively appreciate capital to provide additional funding for the Society. The Foundation's goal is to provide funding for the operation and support of the Society.

(11) Donated Materials and Services

The Zoo is the recipient of donated services from a variety of unpaid volunteers assisting them in various capacities. No amounts have been recognized in the accompanying combined statements of activities because the criteria for recognition of such volunteer efforts have not been satisfied. In addition to volunteers, from time to time, the Zoo receives various goods and professional services from unrelated parties, free of charge or at significant discounts. Such donated materials, services, or equipment, when received, are reflected in the combined financial statements at their estimated fair values at the date of receipt.

In-kind donated services and materials were approximately \$147,000 and \$74,800, respectively, for the year ended September 30, 2021. In-kind donated services and materials were approximately \$200,300 and \$76,800 respectively, for the year ended September 30, 2020.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(12) Liquidity and Availability of Resources

The Zoo is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Zoo must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Zoo's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Foundation regularly monitors liquidity to meet its operating needs and other contractual commitments. The Zoo has various sources of liquidity at its disposal including cash and a revolving line of credit (described in Note 7).

As of September 30, 2021 and 2020, the Zoo's financial assets available to meet general expenditures within one year were as follows:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 15,414,077	3,360,212
Accounts and other receivables	977,794	490,376
Pledges receivable, net	2,391,953	1,243,128
Investments	21,899,947	16,950,379
Beneficial interest in assets held by the others	581,309	456,141
Cash restricted for long-term use	<u>648,226</u>	<u>801,947</u>
Total financial assets	41,913,306	23,302,183
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Pledges receivable, net	(1,953,536)	(1,037,129)
Contributions and grants for long-term use	(127,190)	(234,930)
Capital contributions for long-term use	(243,922)	(567,017)
Undistributed gains restricted for specific programs	(2,035,450)	(1,100,470)
Endowment funds	(5,979,453)	(5,979,453)
Board-designations:		
Quasi-endowment	<u>(15,703,037)</u>	<u>(11,691,745)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 15,870,718</u>	<u>2,691,439</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(13) Retirement Plans

The Society sponsors a non-contributory retirement plan that covers all employees with six months of eligible service who have attained age 20-1/2. The Society made a contribution to the plan of approximately \$0 and \$8,000 during the years ended September 30, 2021 and 2020.

The Society also sponsors a contributory tax deferred savings plan. Effective May 2020, the tax deferred savings plan was amended and restated covering all employees with no minimum age or service period to be eligible for matching contributions. Participants' rights to matching contributions vest over a five year period. The tax deferred savings plan allows for discretionary matching and non-elective employer contributions. The Society made contributions to the plan of approximately \$215,000 and \$0 during the years ended September 30, 2021 and 2020.

(14) Leases

The Zoo leases certain equipment under non-cancelable operating leases which expire at various dates through 2027. During 2021, the Zoo also executed a lease for certain equipment under an agreement classified as a capital lease. The capital lease is payable over 60 months and matures in July 2026. Assets acquired under capital lease obligations are included in property and equipment in the accompanying combined statements of financial position. As of September 30, 2021, the gross amount of equipment and related accumulated amortization recorded under the capital lease were \$339,555 and \$32,263, respectively.

Future minimum lease payments required under operating leases with initial or remaining lease terms in excess of one year and the present value of minimum capital lease payments as of September 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Capital Lease</u>	<u>Operating Leases</u>	<u>Total</u>
2022	\$ 68,106	240,000	308,106
2023	68,106	162,000	230,106
2024	68,106	119,000	187,106
2025	68,106	95,000	163,106
2026	51,079	5,000	56,079
Thereafter	-	1,000	1,000
Total minimum lease payments	323,503	<u>622,000</u>	<u>945,503</u>
Less amount representing interest	<u>(875)</u>		
Present value of lease payments	<u>\$ 322,628</u>		

Equipment rental expense for the Zoo was approximately \$298,000 and \$288,000 for the years ended September 30, 2021 and 2020, respectively.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(15) Food and Beverage Agreement

Effective January 2019, the Society entered into an agreement with Ovations Food Services to grant Ovations the exclusive rights to manage and operate the food and beverage concessions services and catering services at Zoo Tampa. The term of the agreement is effective through May 2024. As a result of the agreement, the Society is reporting food and beverage revenue, cost of sales, and related operating expenses, net in the accompanying combined statements of activities.

(16) Related-Party Transactions

Portions of contributions receivable at September 30, 2021 and 2020 and received for the years then ended are commitments made by various trustees. At September 30, 2021 and 2020, contributions receivable from trustees were \$225,000 and \$575,000, respectively.

(17) Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurement*, establishes a framework for measuring fair value and expands disclosures about fair value measurement. Management uses the fair value hierarchy, which gives the highest priority to quoted prices in active markets. The fair value of financial instruments is estimated based on market trading information, where available. Absent published market values for an instrument or other assets, management uses observable market data to arrive at its estimates of fair value. ASC Topic 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data;

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(17) Fair Value of Financial Instruments - Continued

The fair value of the Zoo's investments at September 30, 2021 was as follows:

Description	Assets Measured at Fair Value at September 30, 2021	Fair Value Measurements at September 30, 2021 Using		
		Observable Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Fixed Income	\$ 1,183,117	-	1,183,117	-
Large growth	1,846,449	-	1,846,449	-
Large blend	2,137,674	-	2,137,674	-
Large value	555,499	-	555,499	-
International	5,162,148	-	5,162,148	-
All cap	867,426	-	867,426	-
Small/mid blend	2,537,082	-	2,537,082	-
Limited	6,331,330	-	6,331,330	-
Intermediate	831,704	-	831,704	-
	<u>\$ 21,452,429</u>	<u>-</u>	<u>21,452,429</u>	<u>-</u>

The fair value of the Zoo's investments and interests at September 30, 2020 was as follows:

Description	Assets Measured at Fair Value at September 30, 2020	Fair Value Measurements at September 30, 2020 Using		
		Observable Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock:				
Large blend	\$ 155,904	155,904	-	-
Mutual funds:				
Fixed income	973,030	-	973,030	-
Large growth	1,599,354	-	1,599,354	-
Large blend	602,403	-	602,403	-
Large value	444,947	-	444,947	-
International	5,712,832	-	5,712,832	-
All cap	628,294	-	628,294	-
Small/mid blend	1,758,324	-	1,758,324	-
Limited	4,635,919	-	4,635,919	-
Intermediate	65,963	-	65,963	-
	<u>\$ 16,576,970</u>	<u>155,904</u>	<u>16,421,066</u>	<u>-</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(17) Fair Value of Financial Instruments - Continued

Stock Investments

Included in Level 1 are domestic and international equities. Level 1 stock investments are valued at quoted prices for identical assets in active markets.

Mutual Funds

Included in Level 2 are mutual funds invested in corporate and government bonds and domestic and international equities valued on quoted prices for identical assets in markets that may not be active. In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value ("NAV") (or its equivalent) practical expedient have not been classified in the fair value hierarchy above. The following table reconciles the Zoo's investments at fair value, within the fair value hierarchy, to total investments, as reported in the accompanying combined statements of financial position, as of September 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Investments at fair value within the fair value hierarchy	\$ 21,452,429	16,576,970
Common collective trusts measured at NAV	<u>447,518</u>	<u>373,409</u>
Total investments at fair value	<u>\$ 21,899,947</u>	<u>16,950,379</u>
Beneficial interest in assets held by the Community Foundation measured at NAV	<u>\$ 581,309</u>	<u>456,141</u>

Common collective trusts are public and private investment vehicles valued using the unit price provided by the administrator of the fund. The unit price is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of units outstanding. The Foundation's beneficial interest in assets held by the Community Foundation is valued based on the valuation of the underlying assets of the Community Foundation in which the Foundation has a beneficial interest.

There have been no transfers into or out of the Level 3 category and there have been no significant transfers between the Level 1 and 2 categories.

(18) Federal Government Assistance

The Zoo applied for and received a forgivable Paycheck Protection Program ("PPP") loan of \$2,155,051 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on April 27, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs and that certain employment levels are maintained over a specified 24 week period.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(18) Federal Government Assistance - Continued

To the extent a portion of the loan does not meet the criteria to be forgiven, principal and interest is payable monthly through the maturity date of April 16, 2022. The loan carries an interest rate of 1%. Through September 30, 2020, the Zoo fully utilized the proceeds on qualified costs and such amount \$2,155,051 been reported as grant revenue in the accompanying combined statement of activities. The Zoo submitted a formal request for forgiveness and received notice of the legal release of the obligation in June 2021.

In March 2021, The Zoo applied for and received a second draw PPP loan of \$2,000,000 as provided under the Consolidated Appropriations Act of 2021. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs and that certain employment levels are maintained over a specified 24 week period.

To the extent a portion of the loan does not meet the criteria to be forgiven, principal and interest is payable monthly through the maturity date of March 22, 2026. The loan carries an interest rate of 1%. Through September 30, 2021, the Zoo fully utilized the proceeds on qualified costs and \$2,000,000 has been reported as grant revenue in the accompanying combined statement of activities. The Zoo expects the entire loan to be forgiven. A formal request for forgiveness will be submitted after the performance period outlined above.

During the year ended September 30, 2021, the Zoo applied for and was awarded a federal Shuttered Venue Operators Grant (“SVOG”) of \$8 million. The SVOG program was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and was amended by the American Rescue Plan Act. The Zoo has elected to apply the provisions of ASU No. 2018-08, *Clarifying Guidance for Contributions Received and Contributions Made (Topic 958-605)* as the relevant guidance for this type of cost reimbursement federal award. This standard provides guidance regarding the accounting for grants, awards and contributions received by a not-for-profit entity. The associated barrier to entitlement (condition) is the requirement to only spend the grant funds on allowable costs, as defined by the SVOG-related legislation and the Federal Uniform Guidance. Through September 30, 2021, the Zoo has used \$7.9 million of the award on qualifying costs and such amount has been reflected as a component of “Grants” in the accompanying 2021 combined statement of activities. The remaining \$100,000 refundable advance is reflected as a component of “deferred revenue” in the accompanying 2021 combined statement of financial position and was earned by the Zoo by the end of the grant project period on December 31, 2021.

(19) Legal Matters

From time to time, the Zoo is involved in various legal matters in the ordinary course of operations. Management does not anticipate that the resolution of any legal matter outstanding at September 30, 2021 will have a material adverse effect on the combined financial statements.

LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Notes to Combined Financial Statements - Continued

(20) Concentrations

The Zoo's grant funding relies to a significant extent on the direct federal support from the Small Business Administration ("SBA") as a source of funding. Grant revenues from SBA contract awards represented approximately 19% and 10% of total support and revenue for the years ended September 30, 2021 and 2020, respectively.

(21) Risks and Uncertainties

The novel coronavirus ("COVID-19") spread rapidly across the world in the first quarter of 2020 and was declared a pandemic by the World Health Organization in March 2020. The government and private sector responses to contain its spread began to adversely affect the broader economy and business in general in March 2020 and those impacts will likely affect operations beyond fiscal 2020, although such effects may vary significantly. The Zoo's operations were significantly impacted, including a closure of the Zoo to the general public from March 16, 2020 until May 29, 2020. Future closures of the Zoo are dependent on applicable government requirements and are subject to ongoing modifications dependent on changes in COVID-19 cases. The duration and extent of the pandemic and its effects over longer terms cannot be reasonably estimated as of the date the combined financial statements were available for issuance. The risks and uncertainties resulting from the pandemic that may affect the results of operating activities, cash flows and financial condition include the nature and duration of any potential curtailment of program activities and the long-term effect on demand for the Zoo's services. Accordingly, significant estimates used in the preparation of the combined financial statements including those associated with evaluations of certain long-lived assets for impairment and expected credit losses on amounts owed to the Zoo may be subject to significant adjustments in future periods.

The pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been heightened market risk and the Zoo's investment portfolio has incurred significant volatility in fair value since March 2020. Because the values of the Zoo's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in future periods, if any, and the related impact on the Zoo's liquidity cannot be determined at this time.

(22) Subsequent Events

The Zoo has evaluated events and transactions for potential recognition or disclosure in the combined financial statements through January 21, 2022, the date the combined financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Combining Statement of Financial Position

September 30, 2021

Assets	Lowry Park Zoological Society of Tampa, Inc.	Lowry Park Zoo Endowment Foundation, Inc.	Eliminations	Combined Total
Cash and cash equivalents	\$ 15,235,406	108,033	70,638	15,414,077
Accounts and other receivables	977,794	-	-	977,794
Inventories	374,913	-	-	374,913
Prepaid expenses	1,470,581	-	-	1,470,581
Pledges receivable, net	2,391,953	-	-	2,391,953
Investments	1,183,117	20,716,830	-	21,899,947
Interest in KML Properties, LLC	-	357,768	-	357,768
Beneficial interest in assets held by the Community Foundation	-	581,309	-	581,309
Notes receivable from affiliate	-	2,053,018	(2,053,018)	-
Property and equipment, net	40,890,688	-	-	40,890,688
Cash restricted for long-term use	648,226	-	-	648,226
Total assets	\$ 63,172,678	23,816,958	(1,982,380)	85,007,256
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,525,225	-	-	3,525,225
Deferred revenue	3,413,426	-	-	3,413,426
Capital leases	322,628	-	-	322,628
Long-term debt	2,365,204	-	-	2,365,204
Notes payable to affiliate	2,014,711	-	(2,014,711)	-
Total liabilities	11,641,194	-	(2,014,711)	9,626,483
Net assets:				
Without donor restrictions:				
Operations surplus	12,035,578	357,768	(1,502,323)	10,891,023
Property and equipment, net of related debt	36,188,145	-	2,053,018	38,241,163
Board-designated endowment funds	-	16,044,287	(341,250)	15,703,037
Total without donor restrictions	48,223,723	16,402,055	209,445	64,835,223
With donor restrictions	3,307,761	7,414,903	(177,114)	10,545,550
Total net assets	51,531,484	23,816,958	32,331	75,380,773
Total liabilities and net assets	\$ 63,172,678	23,816,958	(1,982,380)	85,007,256

See accompanying independent auditors' report.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combining Statement of Financial Position

September 30, 2020

Assets	Lowry Park Zoological Society of Tampa, Inc.	Lowry Park Zoo Endowment Foundation, Inc.	Eliminations	Combined Total
Cash and cash equivalents	\$ 3,289,314	67,062	3,836	3,360,212
Accounts and other receivables	490,376	-	-	490,376
Inventories	289,420	-	-	289,420
Prepaid expenses	771,655	-	-	771,655
Pledges receivable, net	1,243,128	-	-	1,243,128
Investments	973,030	15,977,349	-	16,950,379
Interest in KML Properties, LLC	-	406,268	-	406,268
Beneficial interest in assets held by the Community Foundation	-	456,141	-	456,141
Notes receivable from affiliate	-	2,087,901	(2,087,901)	-
Property and equipment, net	38,791,576	-	-	38,791,576
Cash restricted for long-term use	801,947	-	-	801,947
Total assets	\$ 46,650,446	18,994,721	(2,084,065)	63,561,102
Liabilities and Net Assets				
Liabilities:				
Line of credit	\$ 3,000,000	-	-	3,000,000
Accounts payable and accrued expenses	2,890,354	5,000	-	2,895,354
Deferred revenue	2,016,639	-	-	2,016,639
Long-term debt	2,990,225	-	-	2,990,225
Notes payable to affiliate	2,084,477	-	(2,084,477)	-
Total liabilities	12,981,695	5,000	(2,084,477)	10,902,218
Net assets:				
Without donor restrictions:				
Operations deficit	(2,240,093)	406,268	(1,675,704)	(3,509,529)
Property and equipment, net of related debt	33,716,874	-	2,087,901	35,804,775
Board-designated endowment funds	-	12,025,688	(333,943)	11,691,745
Total without donor restrictions	31,476,781	12,431,956	78,254	43,986,991
With donor restrictions	2,191,970	6,557,765	(77,842)	8,671,893
Total net assets	33,668,751	18,989,721	412	52,658,884
Total liabilities and net assets	\$ 46,650,446	18,994,721	(2,084,065)	63,561,102

See accompanying independent auditors' report.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
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Combining Statement of Activities

For the Year Ended September 30, 2021

	<u>Lowry Park Zoological Society of Tampa, Inc.</u>	<u>Lowry Park Zoo Endowment Foundation, Inc.</u>	<u>Eliminations</u>	<u>Combined Total</u>
Revenues and support:				
Admissions charges	\$ 20,751,381	-	-	20,751,381
Restaurant and gift shop sales	6,534,980	-	-	6,534,980
Concessions, net	1,100,008	-	-	1,100,008
Fundraising and special events - net of direct expense of \$268,567	38,890	-	-	38,890
Education classes and programs	799,850	-	-	799,850
Interactive experiences	682,211	-	-	682,211
Contributions	4,059,066	33,866	(882,511)	3,210,421
Grants	12,206,124	-	-	12,206,124
Investment return, net	210,616	5,627,183	-	5,837,799
Other revenues	614,047	-	-	614,047
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and support	46,997,173	5,661,049	(882,511)	51,775,711
Operating expenses:				
Program services:				
Animal collections and care	6,261,328	-	-	6,261,328
Merchandise and selling operations	2,257,430	-	-	2,257,430
Park operations and maintenance	9,397,845	-	-	9,397,845
Educational activities	836,540	-	-	836,540
Public policy, media and community issues	414,439	-	-	414,439
Payments to affiliate	-	882,511	(882,511)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	19,167,582	882,511	(882,511)	19,167,582
Support services:				
General and administrative	2,575,116	16,727	-	2,591,843
Development	759,315	45,000	-	804,315
Marketing and membership activities	2,901,356	-	-	2,901,356
	<hr/>	<hr/>	<hr/>	<hr/>
Total support services	6,235,787	61,727	-	6,297,514
Total operating expenses	<hr/>	<hr/>	<hr/>	<hr/>
	25,403,369	944,238	(882,511)	25,465,096
Change in net assets before other income (expense)	21,593,804	4,716,811	-	26,310,615
Other income (expense):				
Change in beneficial interest assets	-	125,168	-	125,168
Change in interest in KML Properties, LLC	-	(23,500)	-	(23,500)
Depreciation	(3,439,029)	-	-	(3,439,029)
Interest income - affiliate	-	8,758	(8,758)	-
Interest expense	(146,776)	-	40,677	(106,099)
Other expenses and losses	(145,266)	-	-	(145,266)
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	17,862,733	4,827,237	31,919	22,721,889
Net assets at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	33,668,751	18,989,721	412	52,658,884
Net assets at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 51,531,484	23,816,958	32,331	75,380,773

See accompanying independent auditors' report.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combining Statement of Activities

For the Year Ended September 30, 2020

	<u>Lowry Park Zoological Society of Tampa, Inc.</u>	<u>Lowry Park Zoo Endowment Foundation, Inc.</u>	<u>Eliminations</u>	<u>Combined Total</u>
Revenues and support:				
Admissions charges	\$ 10,656,454	-	-	10,656,454
Restaurant and gift shop sales	2,972,828	-	-	2,972,828
Concessions, net	559,267	-	-	559,267
Fundraising and special events - net of direct expense of \$371,256	126,380	-	-	126,380
Education classes and programs	499,207	-	-	499,207
Interactive experiences	474,180	-	-	474,180
Contributions	4,162,421	15,784	(1,912,704)	2,265,501
Grants	4,027,922	-	-	4,027,922
Investment return, net	108,858	(322,637)	-	(213,779)
Other revenues	591,388	-	-	591,388
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and support	24,178,905	(306,853)	(1,912,704)	21,959,348
Operating expenses:				
Program services:				
Animal collections and care	5,839,550	-	-	5,839,550
Merchandise and selling operations	1,402,867	-	-	1,402,867
Park operations and maintenance	7,776,743	-	-	7,776,743
Educational activities	796,492	-	-	796,492
Public policy, media and community issues	375,981	-	-	375,981
Payments to affiliate	-	1,912,704	(1,912,704)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	16,191,633	1,912,704	(1,912,704)	16,191,633
Support services:				
General and administrative	2,134,902	23,770	-	2,158,672
Development	589,999	53,500	-	643,499
Marketing and membership activities	2,424,111	-	-	2,424,111
	<hr/>	<hr/>	<hr/>	<hr/>
Total support services	5,149,012	77,270	-	5,226,282
Total operating expenses	<hr/>	<hr/>	<hr/>	<hr/>
	21,340,645	1,989,974	(1,912,704)	21,417,915
Change in net assets before other income (expense)	2,838,260	(2,296,827)	-	541,433
Other income (expense):				
Change in beneficial interest assets	-	5,939	-	5,939
Change in interest in KML Properties, LLC	-	16,000	-	16,000
Depreciation	(3,228,978)	-	-	(3,228,978)
Interest income - affiliate	-	53,662	(53,662)	-
Interest expense	(225,450)	-	57,855	(167,595)
Other expenses and losses	(28,077)	-	-	(28,077)
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	(644,245)	(2,221,226)	4,193	(2,861,278)
Net assets at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	34,312,996	21,210,947	(3,781)	55,520,162
Net assets at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 33,668,751	18,989,721	412	52,658,884

See accompanying independent auditors' report.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combining Statement of Cash Flows

For the Year Ended September 30, 2021

	Lowry Park Zoological Society of Tampa, Inc.	Lowry Park Zoo Endowment Foundation, Inc.	Eliminations	Combined Total
Cash flows from operating activities:				
Change in net assets:	\$ 17,862,733	4,827,237	31,919	22,721,889
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	3,439,029	-	-	3,439,029
Loss on disposal of equipment	146,082	-	-	146,082
Net realized and unrealized losses (gains) on investments	(210,616)	(5,285,392)	-	(5,496,008)
Net increase in fair value of beneficial interests	-	(125,168)	-	(125,168)
Net decrease in KML Properties, LLC interest	-	23,500	-	23,500
Changes in operating assets and liabilities:				
Accounts and other receivables	(487,418)	-	-	(487,418)
Inventories	(85,493)	-	-	(85,493)
Prepaid expenses	(698,926)	-	-	(698,926)
Pledges receivable, net	(1,148,825)	-	-	(1,148,825)
Accounts payable and accrued expenses	312,969	(5,000)	-	307,969
Deferred revenue	1,396,787	-	-	1,396,787
Net cash provided by (used in) operating activities	20,526,322	(564,823)	31,919	19,993,418
Cash flows from investing activities:				
Payments received on notes receivable from affiliate	-	34,883	(34,883)	-
Distributions received from KML Properties, LLC	-	25,000	-	25,000
Proceeds from sales of investments	-	4,262,482	-	4,262,482
Purchases of investments	529	(3,716,571)	-	(3,716,042)
Purchases of property and equipment	(5,022,766)	-	-	(5,022,766)
Net cash provided by (used in) investing activities	(5,022,237)	605,794	(34,883)	(4,451,326)
Cash flows from financing activities:				
Payments of obligations under capital leases	(16,927)	-	-	(16,927)
Payments on notes payable to affiliate	(69,766)	-	69,766	-
Net payments on lines of credit	(3,000,000)	-	-	(3,000,000)
Payments on long-term debt	(625,021)	-	-	(625,021)
Net cash provided by (used in) financing activities	(3,711,714)	-	69,766	(3,641,948)
Net change in cash and cash equivalents	11,792,371	40,971	66,802	11,900,144
Cash and cash equivalents at beginning of year	4,091,261	67,062	3,836	4,162,159
Cash and cash equivalents at end of year	\$ 15,883,632	108,033	70,638	16,062,303
Cash and cash equivalents consist of:				
Cash and cash equivalents	\$ 15,235,406	108,033	70,638	15,414,077
Cash restricted for long-term use	648,226	-	-	648,226
	\$ 15,883,632	108,033	70,638	16,062,303
Supplemental disclosure of cash flow information:				
Cash paid for interest	\$ 146,776	-	(8,758)	138,018
Non-cash investing and financing activities:				
Change in accounts payable attributable to purchases of property and equipment	\$ 321,902	-	-	321,902
Equipment acquired under capital lease obligation	\$ 339,555	-	-	339,555

See accompanying independent auditors' report.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Combining Statement of Cash Flows

For the Year Ended September 30, 2020

	Lowry Park Zoological Society of Tampa, Inc.	Lowry Park Zoo Endowment Foundation, Inc.	Eliminations	Combined Total
Cash flows from operating activities:				
Change in net assets:	\$ (644,245)	(2,221,226)	4,193	(2,861,278)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	3,228,978	-	-	3,228,978
Loss on disposal of equipment	31,702	-	-	31,702
Net realized and unrealized losses (gains) on investments	(108,858)	791,850	-	682,992
Net increase in fair value of beneficial interests	-	(5,939)	-	(5,939)
Net increase in KML Properties, LLC interest	-	(16,000)	-	(16,000)
Changes in operating assets and liabilities:				
Accounts and other receivables	(84,594)	-	-	(84,594)
Inventories	(21,442)	-	-	(21,442)
Prepaid expenses	242,378	-	-	242,378
Pledges receivable, net	443,745	-	-	443,745
Accounts payable and accrued expenses	(147,810)	-	-	(147,810)
Deferred revenue	671,891	-	-	671,891
Net cash provided by (used in) operating activities	3,611,745	(1,451,315)	4,193	2,164,623
Cash flows from investing activities:				
Payments received on notes receivable from affiliate	-	66,340	(66,340)	-
Distributions received from KML Properties, LLC	-	25,000	-	25,000
Proceeds from sales of investments	144,639	5,349,179	-	5,493,818
Purchases of investments	-	(4,009,925)	-	(4,009,925)
Purchases of property and equipment	(1,941,619)	-	-	(1,941,619)
Cash deposited with the Community Foundation	-	(2,500)	-	(2,500)
Net cash provided by (used in) investing activities	(1,796,980)	1,428,094	(66,340)	(435,226)
Cash flows from financing activities:				
Payments on notes payable to affiliate	(69,764)	-	69,764	-
Net borrowings on lines of credit	300,000	-	-	300,000
Payments on long-term debt	(412,609)	-	-	(412,609)
Net cash provided by (used in) financing activities	(182,373)	-	69,764	(112,609)
Net change in cash and cash equivalents	1,632,392	(23,221)	7,617	1,616,788
Cash and cash equivalents at beginning of year	2,458,869	90,283	(3,781)	2,545,371
Cash and cash equivalents at end of year	\$ 4,091,261	67,062	3,836	4,162,159
Cash and cash equivalents consist of:				
Cash and cash equivalents	\$ 3,289,314	67,062	3,836	3,360,212
Cash restricted for long-term use	801,947	-	-	801,947
	\$ 4,091,261	67,062	3,836	4,162,159
Supplemental disclosure of cash flow information:				
Cash paid for interest	\$ 202,163	-	(72,598)	129,565
Change in accounts payable attributable to purchases of property and equipment	\$ 228,110	-	-	228,110
Change in long-term debt attributable to conversion of line of credit to term loan	\$ 1,968,431	-	-	1,968,431

See accompanying independent auditors' report.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2021

<u>Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Contract/ Grant Number</u>	<u>Current Year Expenditures</u>	<u>Transfers to Subrecipients</u>
Small Business Administration				
Shuttered Venue Operators Grant Program	59.075	SBAHQ21SV004187	\$ 7,900,000	-
Subtotal - Small Business Administration			<u>7,900,000</u>	<u>-</u>
U.S. Department of the Interior				
Prescott Marine Mammal Rescue Assistance	15.683	F20AP12110-00	45,675	-
		F20AP11645-00	49,655	-
		F21AP03657-00	<u>95,000</u>	<u>-</u>
Subtotal - U.S. Department of the Interior			<u>190,330</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through Early Learning Coalition of Hillsborough County 477 Cluster:				
Child Care and Development Block Grant	93.575	n/a	<u>15,000</u>	<u>-</u>
Subtotal - U.S. Department of Health and Human Services			<u>15,000</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 8,105,330</u>	<u>-</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Lowry Park Zoological Society of Tampa, Inc. and the Lowry Park Zoo Endowment Foundation, Inc. (collectively, the “Zoo”) under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Zoo, it is not intended to and does not present the combined financial position, changes in net assets, or cash flows of the Zoo.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Zoo has not elected to use the 10% de minimus rate allowed under the Uniform Guidance.

INTERNAL CONTROL AND COMPLIANCE



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Trustees
Lowry Park Zoological Society of Tampa, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of the Lowry Park Zoological Society of Tampa, Inc. and the Lowry Park Zoo Endowment Foundation, Inc. (collectively, the "Zoo"), which comprise the combined statement of financial position as of September 30, 2021, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated January 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Zoo's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Zoo's internal control. Accordingly, we do not express an opinion on the effectiveness of the Zoo's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Zoo's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Zoo's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MAYER HOFFMAN McCANN P.C.

January 21, 2022
St. Petersburg, Florida



**Independent Auditors' Report on Compliance for Each Major Federal Program and on
Internal Control Over Compliance Required by the Uniform Guidance**

The Board of Trustees
Lowry Park Zoological Society of Tampa, Inc.:

Report on Compliance for Each Major Federal Program

We have audited the Lowry Park Zoological Society of Tampa, Inc. and the Lowry Park Zoo Endowment Foundation, Inc.'s (collectively, the "Zoo") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2021. The Zoo's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Zoo's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Zoo's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Zoo's compliance.

Opinion on Each Major Federal Program

In our opinion, the Zoo complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Zoo is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Zoo's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Zoo's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MAYER HOFFMAN McCANN P.C.

January 21, 2022
St. Petersburg, Florida

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2021

(A) Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on the combined financial statements of the Lowry Park Zoological Society of Tampa, Inc. and Lowry Park Zoo Endowment Foundation, Inc. (collectively, the "Zoo").
2. No significant deficiencies or material weaknesses relating to the audit of the combined financial statements were reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the combined financial statements of the Zoo which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal program are reported in the Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award program for the Zoo expresses an unmodified opinion.
6. Audit findings, if any, relative to the major federal award program that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in Parts B and C of this Schedule.
7. The program tested as a major federal program was:

Shuttered Venue Operators Grant Program (AL No. 59.075)
8. The threshold for distinguishing Types A and B programs was \$750,000 for major federal programs.
9. The Zoo was not determined to be a low-risk auditee.

(B) Findings - Audit of Combined Financial Statements

None.

(C) Findings and Questioned Costs - Major Federal Award Program

None.

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.
AND
LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

Schedule of Findings and Questioned Costs - Continued

(D) Other Issues

A Corrective Action Plan is not required because there were no findings required to be reported under the Uniform Guidance. A Summary Schedule of Prior Audit Findings is not required because the audit of the Zoo's combined financial statements for the fiscal year ended September 30, 2020 was not subject to audit requirements under the Uniform Guidance.