

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

**Combined Financial Statements,**

**September 30, 2020 and 2019  
(With Independent Auditor's Report Thereon)**

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

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**Mayer Hoffman McCann P.C.**

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**Independent Auditor’s 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, 2020 and 2019, 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on these 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 auditor’s 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 auditor considers 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, 2020 and 2019, 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**

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information on pages 31 - 36 is presented for purposes of additional analysis and is 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.

MAYER HOFFMAN MCCANN P.C.

January 29, 2021  
Clearwater, Florida

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

**Combined Statements of Financial Position**

**September 30, 2020 and 2019**

<b>Assets</b>	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash and cash equivalents	\$ 3,360,212	1,901,227
Accounts and other receivables	490,376	405,782
Inventories	289,420	267,978
Prepaid expenses	771,655	1,014,033
Pledges receivable, net	1,243,128	1,686,873
Investments	16,950,379	19,117,264
Interest in KML Properties, LLC	406,268	415,268
Beneficial interest in assets held by the Community Foundation	456,141	447,702
Property and equipment, net	38,791,576	39,936,330
Cash restricted for long-term use	<u>801,947</u>	<u>644,144</u>
Total assets	<u><u>\$ 63,561,102</u></u>	<u><u>65,836,601</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Lines of credit	\$ 3,000,000	2,700,000
Accounts payable and accrued expenses	2,895,354	2,868,857
Deferred revenue	2,016,639	1,344,748
Long-term debt	<u>2,990,225</u>	<u>3,402,834</u>
Total liabilities	10,902,218	10,316,439
Net assets:		
Without donor restrictions:		
Operations deficit	(3,270,182)	(4,146,227)
Property and equipment, net of related debt	35,804,775	36,533,496
Board-designated endowment funds	<u>11,452,398</u>	<u>13,641,463</u>
Total without donor restrictions	43,986,991	46,028,732
With donor restrictions	<u>8,671,893</u>	<u>9,491,430</u>
Total net assets	<u>52,658,884</u>	<u>55,520,162</u>
Total liabilities and net assets	<u><u>\$ 63,561,102</u></u>	<u><u>65,836,601</u></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, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues and support:			
Admissions charges	\$ 10,656,454	-	10,656,454
Restaurant and gift shop sales	3,244,250	-	3,244,250
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	701,965	-	701,965
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 auditor's 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, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues and support:			
Admissions charges	\$ 13,235,470	-	13,235,470
Restaurant and gift shop sales	3,909,582	-	3,909,582
Concessions, net	660,724	-	660,724
Fundraising and special events - net of direct expense of \$460,778	443,373	-	443,373
Education classes and programs	1,152,977	-	1,152,977
Contributions	730,623	1,063,315	1,793,938
Grants	771,002	1,053,137	1,824,139
Investment return, net	604,624	158,910	763,534
Other revenues	600,319	-	600,319
Net assets released from restrictions	3,262,054	(3,262,054)	-
Total revenues and support	25,370,748	(986,692)	24,384,056
Operating expenses:			
Program services:			
Animal collections and care	5,448,632	-	5,448,632
Merchandise and selling operations	1,508,524	-	1,508,524
Park operations and maintenance	7,213,013	-	7,213,013
Educational activities	1,340,718	-	1,340,718
Public policy, media, and community issues	457,089	-	457,089
Total program services	15,967,976	-	15,967,976
Support services:			
General and administrative	2,632,105	-	2,632,105
Development	635,547	-	635,547
Marketing and membership activities	2,611,790	-	2,611,790
Total support services	5,879,442	-	5,879,442
Total operating expenses	21,847,418	-	21,847,418
Change in net assets before other income (expense)	3,523,330	(986,692)	2,536,638
Other income (expense):			
Change in beneficial interest assets	22,278	-	22,278
Change in interest in KML Properties, LLC	34,846	-	34,846
Depreciation	(2,909,260)	-	(2,909,260)
Interest expense	(261,397)	-	(261,397)
Other expenses and losses	(27,169)	-	(27,169)
Change in net assets	382,628	(986,692)	(604,064)
Net assets at beginning of year	45,646,104	10,478,122	56,124,226
Net assets at end of year	\$ 46,028,732	9,491,430	55,520,162

See accompanying independent auditor's 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, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
Cash flows from operating activities:		
Change in net assets:	\$ (2,861,278)	(604,064)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,228,978	2,909,260
Net realized and unrealized losses (gains) investments	682,992	(135,932)
Change in beneficial interest assets	(5,939)	(22,278)
Net increase in KML Properties, LLC interest	(16,000)	(34,846)
Loss on disposal of property and equipment	31,702	26,826
Changes in operating assets and liabilities:		
Accounts and other receivables	(84,594)	623,917
Inventories	(21,442)	(1,396)
Prepaid expenses	242,378	(47,212)
Pledges receivable, net	443,745	609,862
Accounts payable and accrued expenses	(147,810)	(539,562)
Deferred revenue	671,891	(196,786)
	2,164,623	2,587,789
Net cash provided by operating activities		
Cash flows from investing activities:		
Distributions received from KML Properties, LLC	25,000	25,000
Proceeds from sales of investments	5,493,818	5,989,883
Purchases of investments	(4,009,925)	(5,471,383)
Purchases of property and equipment	(1,941,619)	(2,439,234)
Cash deposited with the Community Foundation	(2,500)	(399,512)
	(435,226)	(2,295,246)
Net cash used in investing activities		
Cash flows from financing activities:		
Net borrowings (repayments) on lines of credit	300,000	(136,384)
Payments on long-term debt	(412,609)	(773,618)
	(112,609)	(910,002)
Net cash used in financing activities		
Net change in cash and cash equivalents	1,616,788	(617,459)
Cash and cash equivalents at beginning of year	2,545,371	3,162,830
Cash and cash equivalents at end of year	\$ 4,162,159	2,545,371
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 3,360,212	1,901,227
Cash restricted for long-term use	801,947	644,144
	\$ 4,162,159	2,545,371
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 148,501	258,493
Non-cash investing and financing activities:		
Marketable securities received as a pledge payment	\$ -	(2,235)
Change in accounts payable attributable to purchases of property and equipment	\$ 174,307	228,110
Change in long-term debt attributable to conversion of line of credit to term loan	\$ -	1,968,431

See accompanying independent auditor's 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					Total
	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	
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 auditor's 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, 2019**

	Program Services					Support Services					Total
	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	
Salaries and wages	\$ 2,661,277	515,531	3,499,356	932,676	108,670	7,717,510	1,138,598	342,911	558,092	2,039,601	9,757,111
Benefits and payroll taxes	650,335	75,193	672,639	189,815	17,999	1,605,981	160,633	51,891	97,437	309,961	1,915,942
Total salaries and related expenses	3,311,612	590,724	4,171,995	1,122,491	126,669	9,323,491	1,299,231	394,802	655,529	2,349,562	11,673,053
Merchandise purchases	-	788,584	-	-	-	788,584	-	-	-	-	788,584
Animal purchases and conservation	954,690	-	-	-	-	954,690	-	-	-	-	954,690
Advertising	-	-	-	955	122,414	123,369	-	-	1,407,758	1,407,758	1,531,127
Occupancy	678,758	53,327	762,039	56,056	808	1,550,988	36,017	14,482	26,343	76,842	1,627,830
Travel	40,619	1,369	32,426	10,603	-	85,017	41,422	6,195	49,447	97,064	182,081
Insurance expense	108,774	25,645	119,574	33,987	544	288,524	10,196	6,797	6,253	23,246	311,770
Office expense	296,299	47,089	929,919	82,403	889	1,356,599	499,712	27,478	240,385	767,575	2,124,174
Professional fees	56,671	1,786	1,102,576	29,073	205,765	1,395,871	708,507	93,136	205,899	1,007,542	2,403,413
Donor cultivation and outreach	-	-	-	1,650	-	1,650	2,583	64,873	9,709	77,165	78,815
IT hardware and software	1,209	-	94,484	3,500	-	99,193	34,437	27,784	10,467	72,688	171,881
Total before interest and depreciation	5,448,632	1,508,524	7,213,013	1,340,718	457,089	15,967,976	2,632,105	635,547	2,611,790	5,879,442	21,847,418
Interest	-	-	-	-	-	-	261,397	-	-	261,397	261,397
Depreciation	1,298,876	266,970	1,212,512	114,911	-	2,893,269	10,474	290	5,227	15,991	2,909,260
Total	\$ 6,747,508	1,775,494	8,425,525	1,455,629	457,089	18,861,245	2,903,976	635,837	2,617,017	6,156,830	25,018,075

See accompanying independent auditor's 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, 2020 and 2019**

**(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, 2020 and 2019 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, 2020 and 2019:

	2020	2019
Cash and cash equivalents	\$ 412	(3,781)
Net assets, beginning of year	(3,781)	2,316
Interest income	4,193	(6,097)

**(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 consolidated 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.  
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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, 2020 and 2019 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.**  
**AND**  
**LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

**Notes to Combined Financial Statements - Continued**

**(2) Significant Accounting Policies - Continued**

**(j) Impairment of Long-Lived Assets**

In accordance with Accounting Standard Codification (ASC) 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 \$1,451,000 and \$1,531,000 during the years ended September 30, 2020 and 2019, respectively.

**(l) Admissions Revenue**

Admissions revenue is shown net of discounts and includes revenue from one-day admission tickets, pay for a day come back all year tickets (Pay for a Day), and annual pass memberships. Revenue from one-day admission is earned and recognized at the time of sale. Revenue from Pay for a Day and annual pass sales is deferred and recognized over the term of the zoo pass period (see Note 2(m)).

**(m) Deferred Revenue**

Deferred revenue is generally comprised of annual pass and Pay for a Day revenue. Annual pass revenue is recognized ratably over the zoo pass period, generally one year. 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 20). 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**

**(n) 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. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the combined statement of financial position. The Zoo received cost-reimbursable grants of approximately \$1,125,000 that have not been recognized at September 30, 2020 because qualifying expenditures have not yet been incurred.

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.

**(o) 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.

Four donors accounted for approximately 69% of pledges receivable at September 30, 2020 and two donors accounted for approximately 49% of pledges receivable at September 30, 2019. 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**

**(p) 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.

**(q) 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.

**(r) 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.

**(s) 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.

**(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.

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.

**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**

The Zoo follows ASC 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, 2020 and 2019. The Zoo's information returns are open to IRS examination for the 2016 tax year ended September 30, 2017 and all subsequent tax years.

**(u) Reclassifications**

Certain amounts in the 2019 combined financial statements have been reclassified to conform to the 2020 presentation.

**(v) Recent Accounting Pronouncements**

In May 2014, the FASB issued 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 2020-05, which deferred the effective date for all entities that have not yet adopted Topic 606 to annual reporting periods beginning after December 15, 2020. The Zoo is currently evaluating the full effect the adoption of this standard will have on its combined financial statements.

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-15, *Statement of Cash Flows (Topic 230) - Classification of Certain Cash Receipts and Cash Payments*, which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash*, which requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and the amount generally described as restricted cash or restricted cash equivalents. The Zoo adopted the guidance of these standards on October 1, 2019 using the retrospective approach. The Zoo historically presented changes in restricted cash and cash equivalents in the investing section of its combined statement of cash flows. These new standards did not impact the Zoo's financial results but did result in a change in the presentation of restricted cash and restricted cash equivalents within the combined statement of cash flows.

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**Notes to Combined Financial Statements - Continued**

**(2) Significant Accounting Policies - Continued**

**(v) Recent Accounting Pronouncements - Continued**

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit-Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit-Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The contribution standard was applied using the modified retrospective method. This method was applied to transactions that were not complete or had otherwise already been recognized as of October 1, 2019. Adoption of the new standard did not have material impact on the Zoo's fiscal 2020 results. In evaluating the effects of the change, contributions in process as of the date of adoption were considered.

**(3) Pledges Receivable**

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>

Pledges receivable at September 30, 2019 were as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Total unconditional pledges	\$ 2,852,786	-	2,852,786
Less allowance for uncollectible pledges	(1,106,739)	-	(1,106,739)
Discount for present value (3.0%)	(59,174)	-	(59,174)
Net pledges receivable	<u>\$ 1,686,873</u>	<u>-</u>	<u>1,686,873</u>

Maturities of pledges receivable at September 30, 2020 are as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Gross amounts due:			
Within one year	\$ 594,585	-	594,585
One to five years	690,200	-	690,200
More than five years	70,000	-	70,000
	<u>\$ 1,354,785</u>	<u>-</u>	<u>1,354,785</u>

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

**(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, 2020 and 2019. 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, 2020 and 2019, 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, 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>

Investment classifications are as follows at September 30, 2019:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Common stock	\$ -	478,337	478,337
Mutual funds	1,008,811	17,276,284	18,285,095
Common collective trusts	-	353,832	353,832
	<u>\$ 1,008,811</u>	<u>18,108,453</u>	<u>19,117,264</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.

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

**(5) Investments - Continued**

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>

Investment return for the year ended September 30, 2019 is summarized as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Interest and dividends	\$ -	677,683	677,683
Realized and unrealized gains (losses)	153,808	(17,876)	135,932
Investment fees	-	(50,081)	(50,081)
Total	<u>\$ 153,808</u>	<u>609,726</u>	<u>763,534</u>

Included in the Society's investments is \$600,000 of State of Florida Cultural Endowment Funds at September 30, 2020 and 2019.

**(6) Property and Equipment**

Property and equipment consist of the following at September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 9,017,894	9,017,894
Leasehold improvements	59,131,206	56,989,664
Machinery and equipment	3,755,665	4,098,930
Furniture and fixtures	171,627	206,427
Vehicles	341,632	291,639
Construction in progress	894,523	1,998,828
	<u>73,312,547</u>	<u>72,603,382</u>
Less accumulated depreciation	<u>(34,520,971)</u>	<u>(32,667,052)</u>
	<u>\$ 38,791,576</u>	<u>39,936,330</u>

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

**(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 LIBOR plus 1.95% (2.11% at September 30, 2020). The line is secured by substantially all of the assets of the Society including existing and future pledges and matures in June 2021. The outstanding balance on the line of credit at September 30, 2020 and 2019 was \$3,000,000 and \$2,700,000, respectively. The Zoo is subject to certain financial covenants, with which it was in compliance at September 30, 2020.

**(8) Long-Term Debt**

**(a) Long-Term Debt**

The Zoo's long-term debt obligations at September 30, 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
Note payable to financial institution; payable in equal annual installments of principal and interest of \$39,829; payments are in advance; note bears interest at a rate of 5.95%; matures in September 2020.	\$ -	37,591
Note payable to financial institution; interest payable monthly at 88.723% of LIBOR plus 2.84% (2.66% at September 30, 2020) 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.	1,686,910	1,910,928
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% (2.41% at September 30, 2020) 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.	1,303,315	1,454,315
	\$ 2,990,225	3,402,834

The promissory notes payable to the bank include certain financial and nonfinancial covenants. At September 30, 2020, the Zoo was in compliance these covenants or had obtained a waiver relating to any noncompliance.

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

**(8) Long-Term Debt - Continued**

**(a) Long-Term Debt - Continued**

Maturities of long-term debt at September 30, 2020 are as follows:

<u>Year Ending September 30,</u>		
2021	\$	625,020
2022		625,020
2023		625,020
2024		324,335
2025		224,020
Thereafter		<u>566,810</u>
	\$	<u><u>2,990,225</u></u>

**(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 2019 and extended the maturity date until May 15, 2035. On March 1, 2020, the promissory note was amended to suspend principal and interest payments until March 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.

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

**(9) Net Assets With Donor Restrictions**

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

	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
<i>Subject to use restrictions:</i>			
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	-	1,100,470	1,100,470
	<u>801,947</u>	<u>1,100,470</u>	<u>1,902,417</u>
<i>Subject to time restrictions:</i>			
Pledges receivable	790,023	-	790,023
<i>Net assets held in perpetuity:</i>			
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>

Net assets with donor restrictions consist of the following at September 30, 2019:

	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
<i>Subject to use restrictions:</i>			
Investments restricted for specific programs	\$ 133,500	-	133,500
Contributions and grants for long-term use	236,987	-	236,987
Capital contributions for long-term use	407,157	-	407,157
Undistributed gains restricted for specific programs	-	1,222,762	1,222,762
	<u>777,644</u>	<u>1,222,762</u>	<u>2,000,406</u>
<i>Subject to time restrictions:</i>			
Pledges receivable	1,511,571	-	1,511,571
<i>Net assets held in perpetuity:</i>			
Donor restricted endowment funds	<u>600,000</u>	<u>5,379,453</u>	<u>5,979,453</u>
	<u>\$ 2,889,215</u>	<u>6,602,215</u>	<u>9,491,430</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.

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**Notes to Combined Financial Statements - Continued**

**(10) Endowment - Continued**

*Interpretation of Relevant Law*

ASC 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.

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, 2020:

	Without Donor Restrictions	With Donor Restrictions		Total Funds
		Original Gift	Accumulated Gains	
Donor-restricted endowment funds	\$ -	5,979,453	1,100,470	7,079,923
Board-designated endowment funds	11,452,398	-	-	11,452,398
Total funds	<u>\$ 11,452,398</u>	<u>5,979,453</u>	<u>1,100,470</u>	<u>18,532,321</u>

**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, 2020:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets at beginning of year	\$ 13,641,463	7,202,215	20,843,678
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>\$ 11,452,398</u>	<u>7,079,923</u>	<u>18,532,321</u>

Endowment net asset composition by type of fund as of September 30, 2019:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>			<b>Total Funds</b>
		<b>Original Gift</b>	<b>Accumulated Gains</b>	<b>Total</b>	
Donor-restricted endowment funds	\$ -	5,979,453	1,222,762	7,202,215	7,202,215
Board-designated endowment funds	13,641,463	-	-	-	13,641,463
Total funds	<u>\$ 13,641,463</u>	<u>5,979,453</u>	<u>1,222,762</u>	<u>7,202,215</u>	<u>20,843,678</u>

Changes in endowment net assets for the year ended September 30, 2019:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets at beginning of year	\$ 14,119,895	7,181,699	21,301,594
Contributions	115,620	-	115,620
Change in beneficial interest	57,124	-	57,124
Distributions from KML Properties, LLC	25,000	-	25,000
Investment income, net	535,259	92,343	627,602
Net depreciation	(15,246)	(2,630)	(17,876)
Net assets released from restrictions	-	(69,197)	(69,197)
Net assets undesignated	(1,196,189)	-	(1,196,189)
Endowment net assets at end of year	<u>\$ 13,641,463</u>	<u>7,202,215</u>	<u>20,843,678</u>

**LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC.  
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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 \$200,300 and \$76,800, respectively, for the year ended September 30, 2020. In-kind donated services and materials were approximately \$140,300 and \$74,500 respectively, for the year ended September 30, 2019.

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

**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, 2020 and 2019, the Zoo's financial assets available to meet general expenditures within one year were as follows:

	<b>2020</b>	<b>2019</b>
Financial assets:		
Cash and cash equivalents	\$ 3,360,212	1,901,227
Accounts and other receivables	490,376	405,782
Pledges receivable, net	1,243,128	1,686,873
Investments	16,950,379	19,117,264
Beneficial interest in assets held by the others	456,141	447,702
Cash restricted for long-term use	801,947	644,144
Total financial assets	23,302,183	24,202,992
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Pledges receivable, net	(1,037,129)	(1,237,873)
Investments restricted for specific programs	-	(133,500)
Contributions and grants for long-term use	(234,930)	(236,987)
Capital contributions for long-term use	(567,017)	(407,157)
Undistributed gains restricted for specific programs	(1,100,470)	(1,222,762)
Endowment funds	(5,979,453)	(5,979,453)
Board-designations:		
Quasi-endowment	(11,452,398)	(13,641,463)
Financial assets available to meet general expenditures within one year	\$ 2,930,786	1,343,797

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

**Notes to Combined Financial Statements - Continued**

**(13) Retirement Plan**

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 \$8,000 and \$0 during the years ended September 30, 2020 and 2019.

The Society also sponsors a contributory tax deferred savings plan that covers all full-time employees.

**(14) Food and Beverage Agreement**

Effective March 29, 2012, 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 5 years with a 5-year extension at the option of the Society. In January 2019, the agreement was terminated and replaced with a new agreement with Ovations Food Services effective through May 2024. As a result of these agreements, the Society is reporting food and beverage revenue, cost of sales, and related operating expenses, net in the accompanying combined statements of activities.

**(15) Commitments**

The Zoo leases certain equipment under non-cancelable operating leases. Approximate minimum lease payments under such operating leases that expire at various dates through 2024 are as follows:

<u>Year Ending September 30,</u>	
2021	\$ 174,000
2022	157,000
2023	115,000
2024	<u>90,000</u>
	<u>\$ 536,000</u>

Equipment rental expense for the Zoo was approximately \$288,000 and \$302,000 for the years ended September 30, 2020 and 2019, respectively.

**(16) Related-Party Transactions**

Portions of contributions receivable at September 30, 2020 and 2019 and received for the years then ended are commitments made by various trustees. At September 30, 2020 and 2019, contributions receivable from trustees were \$575,000 and \$800,000, respectively.

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

**Notes to Combined Financial Statements - Continued**

**(17) Fair Value of Financial Instruments**

ASC 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 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.

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

<u>Description</u>	<u>Assets Measured at Fair Value at September 30, 2020</u>	<u>Fair Value Measurements at September 30, 2020 Using</u>		
		<u>Observable Inputs (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
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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LOWRY PARK ZOO ENDOWMENT FOUNDATION, INC.**

**Notes to Combined Financial Statements - Continued**

**(17) Fair Value of Financial Instruments - Continued**

The fair value of the Zoo's investments and interests at September 30, 2019 was as follows:

<u>Description</u>	<u>Assets Measured at Fair Value at September 30, 2019</u>	<u>Fair Value Measurements at September 30, 2019 Using</u>		
		<u>Observable Inputs (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Common stock:				
Large blend	\$ 478,337	478,337	-	-
Mutual funds:				
Fixed income	1,008,811	-	1,008,811	-
Large growth	1,734,708	-	1,734,708	-
Large blend	820,947	-	820,947	-
Large value	508,102	-	508,102	-
International	6,219,736	-	6,219,736	-
All cap	725,827	-	725,827	-
Small/mid blend	2,638,166	-	2,638,166	-
Limited	4,628,798	-	4,628,798	-
	<u>\$ 18,763,432</u>	<u>478,337</u>	<u>18,285,095</u>	<u>-</u>

***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, 2020 and 2019, respectively:

	<u>2020</u>	<u>2019</u>
Investments at fair value within the fair value hierarchy	\$ 16,576,970	18,763,432
Common collective trusts measured at NAV	373,409	353,832
Total investments at fair value	<u>\$ 16,950,379</u>	<u>19,117,264</u>
Beneficial interest in assets held by the Community Foundation measured at NAV	<u>\$ 456,141</u>	<u>447,702</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**

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) Paycheck Protection Program Loan**

The Zoo applied for and received a forgivable Paycheck Protection Program 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.

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 has been reported as grant revenue in the accompanying combined statement of activities. The Zoo expects the entire loan to be forgiven. In January 2021, a formal request for forgiveness was submitted, subject to final approval as of the date the combined financial statements were available to be issued.

**(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, 2020 will have a material adverse effect on the combined financial statements.

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

**Notes to Combined Financial Statements - Continued**

**(20) 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.

**(21) Subsequent Events**

The Zoo has evaluated events and transactions for potential recognition or disclosure in the combined financial statements through January 29, 2021, the date the combined financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

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

**Combining Statement of Financial Position**

**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>
<b>Assets</b>				
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
	<u>46,650,446</u>	<u>18,994,721</u>	<u>(2,084,065)</u>	<u>63,561,102</u>
<b>Total assets</b>	<b>\$ 46,650,446</b>	<b>18,994,721</b>	<b>(2,084,065)</b>	<b>63,561,102</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities:</b>				
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)	-
	<u>12,981,695</u>	<u>5,000</u>	<u>(2,084,477)</u>	<u>10,902,218</u>
<b>Total liabilities</b>	<b>12,981,695</b>	<b>5,000</b>	<b>(2,084,477)</b>	<b>10,902,218</b>
<b>Net assets:</b>				
<b>Without donor restrictions:</b>				
Operations deficit	(2,240,093)	645,615	(1,675,704)	(3,270,182)
Property and equipment, net of related debt	33,716,874	-	2,087,901	35,804,775
Board-designated endowment funds	-	11,786,341	(333,943)	11,452,398
	<u>31,476,781</u>	<u>12,431,956</u>	<u>78,254</u>	<u>43,986,991</u>
<b>Total without donor restrictions</b>	<b>31,476,781</b>	<b>12,431,956</b>	<b>78,254</b>	<b>43,986,991</b>
<b>With donor restrictions</b>	<b>2,191,970</b>	<b>6,557,765</b>	<b>(77,842)</b>	<b>8,671,893</b>
	<u>33,668,751</u>	<u>18,989,721</u>	<u>412</u>	<u>52,658,884</u>
<b>Total net assets</b>	<b>33,668,751</b>	<b>18,989,721</b>	<b>412</b>	<b>52,658,884</b>
<b>Total liabilities and net assets</b>	<b>\$ 46,650,446</b>	<b>18,994,721</b>	<b>(2,084,065)</b>	<b>63,561,102</b>

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

**Combining Statement of Financial Position**

**September 30, 2019**

	<u>Lowry Park Zoological Society of Tampa, Inc.</u>	<u>Lowry Park Zoo Endowment Foundation, Inc.</u>	<u>Eliminations</u>	<u>Combined Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,814,725	90,283	(3,781)	1,901,227
Accounts and other receivables	405,782	-	-	405,782
Inventories	267,978	-	-	267,978
Prepaid expenses	1,014,033	-	-	1,014,033
Pledges receivable, net	1,686,873	-	-	1,686,873
Investments	1,008,811	18,108,453	-	19,117,264
Interest in KML Properties, LLC	-	415,268	-	415,268
Beneficial interest in assets held by the Community Foundation	-	447,702	-	447,702
Notes receivable from affiliate	-	2,154,241	(2,154,241)	-
Property and equipment, net	39,936,330	-	-	39,936,330
Cash restricted for long-term use	644,144	-	-	644,144
	<u>46,778,676</u>	<u>21,215,947</u>	<u>(2,158,022)</u>	<u>65,836,601</u>
<b>Total assets</b>	<b>\$ 46,778,676</b>	<b>21,215,947</b>	<b>(2,158,022)</b>	<b>65,836,601</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities:</b>				
Line of credit	\$ 2,700,000	-	-	2,700,000
Accounts payable and accrued expenses	2,863,857	5,000	-	2,868,857
Deferred revenue	1,344,748	-	-	1,344,748
Long-term debt	3,402,834	-	-	3,402,834
Notes payable to affiliate	2,154,241	-	(2,154,241)	-
	<u>12,465,680</u>	<u>5,000</u>	<u>(2,154,241)</u>	<u>10,316,439</u>
<b>Total liabilities</b>	<b>12,465,680</b>	<b>5,000</b>	<b>(2,154,241)</b>	<b>10,316,439</b>
<b>Net assets:</b>				
<b>Without donor restrictions:</b>				
Operations deficit	(2,955,474)	609,146	(1,799,899)	(4,146,227)
Property and equipment, net of related debt	34,379,255	-	2,154,241	36,533,496
Board-designated endowment funds	-	13,929,696	(288,233)	13,641,463
	<u>31,423,781</u>	<u>14,538,842</u>	<u>66,109</u>	<u>46,028,732</u>
<b>Total without donor restrictions</b>	<b>31,423,781</b>	<b>14,538,842</b>	<b>66,109</b>	<b>46,028,732</b>
<b>With donor restrictions</b>	<b>2,889,215</b>	<b>6,672,105</b>	<b>(69,890)</b>	<b>9,491,430</b>
	<u>34,312,996</u>	<u>21,210,947</u>	<u>(3,781)</u>	<u>55,520,162</u>
<b>Total net assets</b>	<b>34,312,996</b>	<b>21,210,947</b>	<b>(3,781)</b>	<b>55,520,162</b>
<b>Total liabilities and net assets</b>	<b>\$ 46,778,676</b>	<b>21,215,947</b>	<b>(2,158,022)</b>	<b>65,836,601</b>

**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	3,244,250	-	-	3,244,250
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	701,965	-	-	701,965
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
	<u>24,178,905</u>	<u>(306,853)</u>	<u>(1,912,704)</u>	<u>21,959,348</u>
Total revenues and support				
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)	-
	<u>16,191,633</u>	<u>1,912,704</u>	<u>(1,912,704)</u>	<u>16,191,633</u>
Total program services				
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
	<u>5,149,012</u>	<u>77,270</u>	<u>-</u>	<u>5,226,282</u>
Total support services				
Total operating expenses	<u>21,340,645</u>	<u>1,989,974</u>	<u>(1,912,704)</u>	<u>21,417,915</u>
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)
	<u>(644,245)</u>	<u>(2,221,226)</u>	<u>4,193</u>	<u>(2,861,278)</u>
Change in net assets				
Net assets at beginning of year	<u>34,312,996</u>	<u>21,210,947</u>	<u>(3,781)</u>	<u>55,520,162</u>
Net assets at end of year	<u>\$ 33,668,751</u>	<u>18,989,721</u>	<u>412</u>	<u>52,658,884</u>

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

**Combining Statement of Activities**

**For the Year Ended September 30, 2019**

	<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	\$ 13,235,470	-	-	13,235,470
Restaurant and gift shop sales	3,909,582	-	-	3,909,582
Concessions, net	660,724	-	-	660,724
Fundraising and special events - net of direct expense of \$460,778	443,373	-	-	443,373
Education classes and programs	1,152,977	-	-	1,152,977
Contributions	2,552,351	115,620	(874,033)	1,793,938
Grants	1,824,139	-	-	1,824,139
Investment return, net	153,808	609,726	-	763,534
Other revenues	600,319	-	-	600,319
	<u>24,532,743</u>	<u>725,346</u>	<u>(874,033)</u>	<u>24,384,056</u>
Total revenues and support				
Operating expenses:				
Program services:				
Animal collections and care	5,448,632	-	-	5,448,632
Merchandise and selling operations	1,508,524	-	-	1,508,524
Park operations and maintenance	7,213,013	-	-	7,213,013
Educational activities	1,340,718	-	-	1,340,718
Public policy, media and community issues	457,089	-	-	457,089
Payments to affiliate	-	874,033	(874,033)	-
	<u>15,967,976</u>	<u>874,033</u>	<u>(874,033)</u>	<u>15,967,976</u>
Total program services				
Support services:				
General and administrative	2,608,984	23,121	-	2,632,105
Development	575,547	60,000	-	635,547
Marketing and membership activities	2,611,790	-	-	2,611,790
	<u>5,796,321</u>	<u>83,121</u>	<u>-</u>	<u>5,879,442</u>
Total support services				
Total operating expenses	<u>21,764,297</u>	<u>957,154</u>	<u>(874,033)</u>	<u>21,847,418</u>
Change in net assets before other income (expense)	2,768,446	(231,808)	-	2,536,638
Other income (expense):				
Change in beneficial interest assets	-	22,278	-	22,278
Change in interest in KML Properties, LLC	-	34,846	-	34,846
Depreciation	(2,909,260)	-	-	(2,909,260)
Interest income - affiliate	-	72,598	(72,598)	-
Interest expense	(327,898)	-	66,501	(261,397)
Other expenses and losses	(27,169)	-	-	(27,169)
	<u>(495,881)</u>	<u>(102,086)</u>	<u>(6,097)</u>	<u>(604,064)</u>
Change in net assets				
Net assets at beginning of year	<u>34,808,877</u>	<u>21,313,033</u>	<u>2,316</u>	<u>56,124,226</u>
Net assets at end of year	<u>\$ 34,312,996</u>	<u>21,210,947</u>	<u>(3,781)</u>	<u>55,520,162</u>

**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**

	<u>Lowry Park Zoological Society of Tampa, Inc.</u>	<u>Lowry Park Zoo Endowment Foundation, Inc.</u>	<u>Eliminations</u>	<u>Combined Total</u>
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	<u>\$ 4,091,261</u>	<u>67,062</u>	<u>3,836</u>	<u>4,162,159</u>
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
	<u>\$ 4,091,261</u>	<u>67,062</u>	<u>3,836</u>	<u>4,162,159</u>
Supplemental disclosure of cash flow information:				
Cash paid for interest	\$ 202,163	-	(53,662)	148,501
Change in accounts payable attributable to purchases of property and equipment	\$ 174,307	-	-	174,307

**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, 2019**

	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:	\$ (495,881)	(102,086)	(6,097)	(604,064)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	2,909,260	-	-	2,909,260
Loss on disposal of equipment	26,826	-	-	26,826
Net realized and unrealized losses (gains) on investments	(153,808)	17,876	-	(135,932)
Net increase in fair value of beneficial interests	-	(22,278)	-	(22,278)
Net increase in KML Properties, LLC interest	-	(34,846)	-	(34,846)
Changes in operating assets and liabilities:				
Accounts and other receivables	623,917	-	-	623,917
Inventories	(1,396)	-	-	(1,396)
Prepaid expenses	(47,212)	-	-	(47,212)
Pledges receivable, net	609,862	-	-	609,862
Accounts payable and accrued expenses	(544,562)	5,000	-	(539,562)
Deferred revenue	(196,786)	-	-	(196,786)
Net cash provided by (used in) operating activities	2,730,220	(136,334)	(6,097)	2,587,789
Cash flows from investing activities:				
Payments received on notes receivable from affiliate	-	20,092	(20,092)	-
Distributions received from KML Properties, LLC	-	25,000	-	25,000
Proceeds from sales of investments	32,356	5,957,527	-	5,989,883
Purchases of investments	-	(5,471,383)	-	(5,471,383)
Purchases of property and equipment	(2,439,234)	-	-	(2,439,234)
Cash deposited with the Community Foundation	-	(399,512)	-	(399,512)
Net cash provided by (used in) investing activities	(2,406,878)	131,724	(20,092)	(2,295,246)
Cash flows from financing activities:				
Payments on notes payable to affiliate	(20,092)	-	20,092	-
Net borrowings on lines of credit	(136,384)	-	-	(136,384)
Payments on long-term debt	(773,618)	-	-	(773,618)
Net cash provided by (used in) financing activities	(930,094)	-	20,092	(910,002)
Net change in cash and cash equivalents	(606,752)	(4,610)	(6,097)	(617,459)
Cash and cash equivalents at beginning of year	3,065,621	94,893	2,316	3,162,830
Cash and cash equivalents at end of year	\$ 2,458,869	90,283	(3,781)	2,545,371
Cash and cash equivalents consist of:				
Cash and cash equivalents	\$ 1,814,725	90,283	(3,781)	1,901,227
Cash restricted for long-term use	644,144	-	-	644,144
	\$ 2,458,869	90,283	(3,781)	2,545,371
Supplemental disclosure of cash flow information:				
Cash paid for interest	\$ 331,091	-	(72,598)	258,493
Non-cash investing and financing activities:				
Marketable securities received as a pledge payment	\$ (2,235)	-	-	(2,235)
Change in accounts payable attributable to purchases of property and equipment	\$ 228,110	-	-	228,110