

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

Combined Financial Statements

**September 30, 2022 and 2021
(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.:

Report on the Audit of the Combined Financial Statements

Opinion

We have audited 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 statements of financial position as of September 30, 2022 and 2021, 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.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Zoo as of September 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Zoo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Zoo's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Zoo's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audits were 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 state financial assistance, as required by Chapter 10.650, *Rules of the State of Florida Auditor General*, 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 supplementary 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 31, 2023 on our consideration of the Zoo's internal control over financial reporting and on our tests of their 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 the 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 Zoo's internal control over financial reporting and compliance.

MAYER HOFFMAN MCCANN P.C.

January 31, 2023
St. Petersburg, Florida

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

Combined Statements of Financial Position

September 30, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 16,066,827	15,414,077
Accounts and other receivables	1,759,495	977,794
Inventories	560,483	374,913
Prepaid expenses	829,532	1,470,581
Pledges receivable, net	2,178,233	2,391,953
Investments	21,647,776	21,899,947
Interest in KML Properties, LLC	364,272	357,768
Beneficial interest in assets held by the Community Foundation	501,070	581,309
Property and equipment, net	43,980,102	40,890,688
Cash restricted for long-term use	<u>874,492</u>	<u>648,226</u>
Total assets	<u><u>\$ 88,762,282</u></u>	<u><u>85,007,256</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,314,060	3,525,225
Deferred revenue	3,377,662	3,413,426
Capital leases	369,373	322,628
Long-term debt	<u>1,740,185</u>	<u>2,365,204</u>
Total liabilities	9,801,280	9,626,483
Net assets:		
Without donor restrictions:		
Operations surplus	13,813,337	10,891,023
Property and equipment, net of related debt	42,278,224	38,241,163
Board-designated endowment funds	<u>12,410,198</u>	<u>15,703,037</u>
Total without donor restrictions	68,501,759	64,835,223
With donor restrictions	<u>10,459,243</u>	<u>10,545,550</u>
Total net assets	<u><u>78,961,002</u></u>	<u><u>75,380,773</u></u>
Total liabilities and net assets	<u><u>\$ 88,762,282</u></u>	<u><u>85,007,256</u></u>

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Admissions charges	\$ 22,917,571	-	22,917,571
Restaurant and gift shop sales, net	7,014,538	-	7,014,538
Concessions, net	1,111,910	-	1,111,910
Fundraising and special events - net of direct expense of \$225,614	566,667	-	566,667
Education classes and programs	829,041	-	829,041
Interactive experiences	847,422	-	847,422
Contributions	1,191,504	2,323,096	3,514,600
Contributed nonfinancial assets	264,414	-	264,414
Grants	870,952	2,751,630	3,622,582
Investment return, net	(2,706,193)	(374,451)	(3,080,644)
Other revenues	621,441	-	621,441
Net assets released from restrictions	4,786,582	(4,786,582)	-
Total revenues and support	38,315,849	(86,307)	38,229,542
Operating expenses:			
Program services:			
Animal collections and care	7,283,143	-	7,283,143
Merchandise and selling operations	2,623,307	-	2,623,307
Park operations and maintenance	11,033,782	-	11,033,782
Educational activities	959,878	-	959,878
Public policy, media, and community issues	611,987	-	611,987
Total program services	22,512,097	-	22,512,097
Support services:			
General and administrative	3,421,475	-	3,421,475
Development	990,580	-	990,580
Marketing and membership activities	3,478,010	-	3,478,010
Total support services	7,890,065	-	7,890,065
Total operating expenses	30,402,162	-	30,402,162
Change in net assets before other income (expense)	7,913,687	(86,307)	7,827,380
Other income (expense):			
Change in beneficial interest assets	(80,239)	-	(80,239)
Change in interest in KML Properties, LLC	31,504	-	31,504
Depreciation	(4,081,902)	-	(4,081,902)
Interest expense	(104,612)	-	(104,612)
Other expenses and losses	(11,902)	-	(11,902)
Change in net assets	3,666,536	(86,307)	3,580,229
Net assets at beginning of year	64,835,223	10,545,550	75,380,773
Net assets at end of year	\$ 68,501,759	10,459,243	78,961,002

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Admissions charges	\$ 20,751,381	-	20,751,381
Restaurant and gift shop sales, net	6,535,021	-	6,535,021
Concessions, net	1,099,972	-	1,099,972
Fundraising and special events - net of direct expense of \$46,735	38,890	-	38,890
Education classes and programs	791,392	-	791,392
Interactive experiences	690,669	-	690,669
Contributions	706,591	2,503,830	3,210,421
Contributed nonfinancial assets	221,832	-	221,832
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	50,123,891	1,873,657	51,997,548
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	9,394,495	-	9,394,495
Educational activities	836,540	-	836,540
Public policy, media, and community issues	592,366	-	592,366
Total program services	19,342,159	-	19,342,159
Support services:			
General and administrative	2,624,057	-	2,624,057
Development	819,361	-	819,361
Marketing and membership activities	2,901,356	-	2,901,356
Total support services	6,344,774	-	6,344,774
Total operating expenses	25,686,933	-	25,686,933
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 Statements of Cash Flows

For the Years Ended September 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 3,580,229	22,721,889
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,081,902	3,439,029
Net realized and unrealized losses (gains) investments	4,109,011	(5,482,043)
Change in beneficial interest assets	80,239	(125,168)
Net decrease (increase) in KML Properties, LLC interest	(31,504)	23,500
Loss on disposal of property and equipment	13,216	146,082
Changes in operating assets and liabilities:		
Accounts and other receivables	(781,701)	(487,418)
Inventories	(185,570)	(85,493)
Prepaid expenses	641,049	(698,926)
Pledges receivable, net	213,720	(1,148,825)
Accounts payable and accrued expenses	666,523	307,969
Deferred revenue	(35,764)	1,396,787
Net cash provided by operating activities	12,351,350	20,007,383
Cash flows from investing activities:		
Distributions received from KML Properties, LLC	25,000	25,000
Proceeds from sales of investments	4,060,107	4,262,482
Purchases of investments	(7,916,947)	(3,730,007)
Proceeds from sale of property and equipment	33,033	-
Purchases of property and equipment	(6,956,535)	(5,022,766)
Net cash used in investing activities	(10,755,342)	(4,465,291)
Cash flows from financing activities:		
Payments of obligations under capital leases	(91,973)	(16,927)
Net repayments on lines of credit	-	(3,000,000)
Payments on long-term debt	(625,019)	(625,021)
Net cash used in financing activities	(716,992)	(3,641,948)
Net change in cash and cash equivalents	879,016	11,900,144
Cash and cash equivalents at beginning of year	16,062,303	4,162,159
Cash and cash equivalents at end of year	\$ 16,941,319	16,062,303

(Continued)

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

Combined Statements of Cash Flows - Continued

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 16,066,827	15,414,077
Cash restricted for long-term use	<u>874,492</u>	<u>648,226</u>
	<u>\$ 16,941,319</u>	<u>16,062,303</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 78,696</u>	<u>138,018</u>
Non-cash investing and financing activities:		
Change in accounts payable attributable to purchases of property and equipment	<u>\$ 122,312</u>	<u>321,902</u>
Equipment acquired under capital lease obligation	<u>\$ 138,718</u>	<u>339,555</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, 2022

	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	\$ 3,344,589	625,166	5,457,853	650,437	81,836	10,159,881	1,505,795	482,785	892,251	2,880,831	13,040,712
Benefits and payroll taxes	992,814	123,605	1,230,662	122,295	14,185	2,483,561	423,081	81,998	166,474	671,553	3,155,114
Total salaries and related expenses	4,337,403	748,771	6,688,515	772,732	96,021	12,643,442	1,928,876	564,783	1,058,725	3,552,384	16,195,826
Merchandise purchases	-	1,641,752	-	-	-	1,641,752	-	-	-	-	1,641,752
Animal purchases and conservation	1,546,905	-	18,496	-	-	1,565,401	-	-	-	-	1,565,401
Advertising	-	-	-	-	160,972	160,972	-	-	1,851,179	1,851,179	2,012,151
Utilities	648,040	71,484	478,144	62,872	5,568	1,266,108	28,530	19,234	23,484	71,248	1,337,356
Travel	41,233	2,099	35,896	175	-	79,403	26,158	3,739	30,616	60,513	139,916
Insurance expense	174,395	35,493	291,491	35,657	2,276	539,312	126,625	12,677	26,168	165,470	704,782
Office expense	481,232	100,307	2,309,335	54,413	16,846	2,962,133	863,023	117,628	234,276	1,214,927	4,177,060
Professional fees	53,935	4,330	965,244	33,410	183,006	1,239,925	436,902	77,891	183,006	697,799	1,937,724
Donor cultivation and outreach	-	-	-	-	-	-	-	49,654	1,699	51,353	51,353
IT hardware and software	-	19,071	246,661	619	-	266,351	861	38,358	68,857	108,076	374,427
In-kind expenses	-	-	-	-	147,298	147,298	10,500	106,616	-	117,116	264,414
Total before interest and depreciation	7,283,143	2,623,307	11,033,782	959,878	611,987	22,512,097	3,421,475	990,580	3,478,010	7,890,065	30,402,162
Interest	-	-	-	-	-	-	104,612	-	-	104,612	104,612
Depreciation	1,792,688	312,424	1,793,655	152,663	-	4,051,430	30,110	88	274	30,472	4,081,902
Total	\$ 9,075,831	2,935,731	12,827,437	1,112,541	611,987	26,563,527	3,556,197	990,668	3,478,284	8,025,149	34,588,676

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, 2021

	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	\$ 2,772,306	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	643,840	39,508	452,705	13,309	2,100	1,151,462	10,327	10,267	8,168	28,762	1,180,224
Travel	5,946	74	10,815	(2)	-	16,833	14,188	3,086	31,263	48,537	65,370
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	398,692	68,952	1,725,643	48,401	15,992	2,257,680	724,817	126,750	199,895	1,051,462	3,309,142
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
In-kind expenses	-	-	-	-	177,927	177,927	32,209	11,696	-	43,905	221,832
Total before interest and depreciation	6,261,328	2,257,430	9,394,495	836,540	592,366	19,342,159	2,624,057	819,361	2,901,356	6,344,774	25,686,933
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	10,938,609	1,004,492	592,366	22,771,094	2,736,753	819,573	2,904,641	6,460,967	29,232,061

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, 2022 and 2021

(1) Description of 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 ZooTampa at Lowry Park 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 ZooTampa at Lowry Park, 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 ZooTampa at Lowry Park 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 of this below-market lease is not readily determinable, and therefore has not been recorded.

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

The consolidated financial statements of the Foundation as of and for the years ended June 30, 2022 and 2021 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 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, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 6,415	32,331
Net assets, beginning of year	32,331	412
Interest income	(25,916)	31,919

(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 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, 2022 and 2021 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 Standards 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 \$2,012,000 and \$1,543,000 during the years ended September 30, 2022 and 2021, 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. 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. 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.

Three donors accounted for approximately 68% of pledges receivable at September 30, 2022 and two donors accounted for approximately 58% of pledges receivable at September 30, 2021. 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) 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

(s) 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, 2022 and 2021. The Zoo’s information returns are open to Internal Revenue Service examination for the 2018 tax year ended September 30, 2019 and all subsequent tax years.

(t) Recent Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2020-07, *Not for Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in kind, for not-for-profit entities. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. The ASU also requires enhanced disclosure, including disaggregation of nonfinancial assets recognized by category and qualitative information about each category. The amendments in this ASU were effective for annual reporting periods beginning after June 15, 2021. The adoption of this ASU had no effect on the Zoo’s combined financial statements for the year ended September 30, 2022.

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

(2) Significant Accounting Policies - Continued

(t) 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 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 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 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.

(u) Reclassifications

Certain reclassifications have been made to the fiscal 2021 combined financial statement presentation to conform to the fiscal 2022 presentation.

(3) Pledges Receivable

Pledges receivable at September 30, 2022 were as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Total unconditional pledges	\$ 2,385,698	-	2,385,698
Less allowance for uncollectible pledges	(119,285)	-	(119,285)
Discount for present value (3.0%)	<u>(88,180)</u>	<u>-</u>	<u>(88,180)</u>
Net pledges receivable	<u>\$ 2,178,233</u>	<u>-</u>	<u>2,178,233</u>

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%)	<u>(59,997)</u>	<u>-</u>	<u>(59,997)</u>
Net pledges receivable	<u>\$ 2,391,953</u>	<u>-</u>	<u>2,391,953</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, 2022 are as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Gross amounts due:			
Within one year	\$ 934,025	-	934,025
One to five years	1,439,173	-	1,439,173
More than five years	12,500	-	12,500
	<u>\$ 2,385,698</u>	<u>-</u>	<u>2,385,698</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, 2022 and 2021. 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, 2022 and 2021, 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, 2022:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Mutual funds	\$ 4,365,381	16,342,934	20,708,315
Alternative investments	-	939,461	939,461
	<u>\$ 4,365,381</u>	<u>17,282,395</u>	<u>21,647,776</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, 2021:

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

The various investments in 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 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, 2022 is summarized as follows:

	<u>Society</u>	<u>Foundation</u>	<u>Combined</u>
Interest and dividends	\$ 69,458	1,015,790	1,085,248
Realized and unrealized losses	(385,597)	(3,723,414)	(4,109,011)
Investment fees	-	(56,881)	(56,881)
Total	<u>\$ (316,139)</u>	<u>(2,764,505)</u>	<u>(3,080,644)</u>

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	\$ 13,965	378,036	392,001
Realized and unrealized gains	196,651	5,285,392	5,482,043
Investment fees	-	(36,245)	(36,245)
Total	<u>\$ 210,616</u>	<u>5,627,183</u>	<u>5,837,799</u>

Included in the Society's investments is \$600,000 of State of Florida Cultural Endowment Funds at September 30, 2022 and 2021.

**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, 2022 and 2021:

	2022	2021
Land	\$ 9,017,894	9,017,894
Leasehold improvements	67,362,284	60,363,641
Machinery and equipment	5,575,463	4,335,573
Furniture and fixtures	188,803	201,569
Vehicles	511,249	705,173
Construction in progress	1,719,786	3,272,456
	84,375,479	77,896,306
Less accumulated depreciation	(40,395,377)	(37,005,618)
	\$ 43,980,102	40,890,688

(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% (4.50% at September 30, 2022). 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, 2022 and 2021 was \$0. The Zoo is subject to certain financial covenants, with which it was in compliance at September 30, 2022.

**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, 2022 and 2021 are as follows:

	2022	2021
Note payable to financial institution; interest payable monthly at 88.723% of LIBOR plus 2.84% (4.79% at September 30, 2022) 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.	\$ 1,238,870	1,462,889
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% (4.80% at September 30, 2022) 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.	501,315	902,315
	\$ 1,740,185	2,365,204

The promissory notes payable to the bank include certain financial and nonfinancial covenants. At September 30, 2022, the Zoo was in compliance these covenants or had obtained a waiver relating to any noncompliance.

Maturities of long-term debt at September 30, 2022 are as follows:

Year Ending September 30,	
2023	\$ 625,020
2024	324,335
2025	224,020
2026	224,020
2027	224,020
Thereafter	118,770
	\$ 1,740,185

**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, 2022:

	<u>Society</u>	<u>Foundation</u>	<u>Total</u>
Subject to use restrictions:			
Contributions and grants for long-term use	\$ 262,607	-	262,607
Capital contributions for long-term use	611,885	-	611,885
Undistributed gains restricted for specific programs	-	1,559,680	1,559,680
	<u>874,492</u>	<u>1,559,680</u>	<u>2,434,172</u>
Subject to time restrictions:			
Pledges receivable	2,045,618	-	2,045,618
Net assets held in perpetuity:			
Donor restricted endowment funds	<u>600,000</u>	<u>5,379,453</u>	<u>5,979,453</u>
	<u>\$ 3,520,110</u>	<u>6,939,133</u>	<u>10,459,243</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, 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	-	2,035,450	2,035,450
	<u>371,112</u>	<u>2,035,450</u>	<u>2,406,562</u>
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>

(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.

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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, 2022:

	Without Donor Restrictions	With Donor Restrictions		Total	Total Funds
		Original Gift	Accumulated Gains		
Donor-restricted endowment funds	\$ -	5,979,453	1,480,387	7,459,840	7,459,840
Board-designated endowment funds	12,410,198	-	-	-	12,410,198
Total funds	\$ 12,410,198	5,979,453	1,480,387	7,459,840	19,870,038

**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, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 15,703,037	7,935,610	23,638,647
Contributions	46,052	-	46,052
Change in beneficial interest	(80,239)	-	(80,239)
Distributions from KML Properties, LLC	25,000	-	25,000
Investment income, net	829,024	129,884	958,908
Net depreciation	(3,219,079)	(504,335)	(3,723,414)
Net assets released from restrictions	-	(101,319)	(101,319)
Net assets undesignated	(893,597)	-	(893,597)
Endowment net assets at end of year	<u>\$ 12,410,198</u>	<u>7,459,840</u>	<u>19,870,038</u>

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	Total	
Donor-restricted endowment funds	\$ -	5,979,453	1,956,157	7,935,610	7,935,610
Board-designated endowment funds	<u>15,703,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,703,037</u>
Total funds	<u>\$ 15,703,037</u>	<u>5,979,453</u>	<u>1,956,157</u>	<u>7,935,610</u>	<u>23,638,647</u>

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>

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

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 values of in-kind contributions and the corresponding in-kind expenses recognized within the combined statements of activities for the years ended September 30, 2022 and 2021 were as follows:

	2022	2021
Advertising	\$ 147,298	177,927
Professional services	10,500	32,209
Goods and materials	106,616	11,696
	\$ 264,414	221,832

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

(11) Donated Materials and Services - Continued

The Zoo was provided professional advertising services at no cost from various advertising agencies which is used to promote various programs and events annually. Contributed advertising services are valued at the estimated fair value based on current rates for similar advertising services in the local market. Donations of professional services are recorded as support at their estimated fair value if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These services are valued and reported at the estimated fair value in the combined financial statements based on current rates for similar professional services. Donated goods and materials are primarily used in the Zoo's programs or consist of contributed auction items for fundraising activities. In valuing donated goods and materials, the Zoo estimated the fair value based on wholesale values that would be received for selling similar items in the United States.

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.

(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).

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

(12) Liquidity and Availability of Resources - Continued

As of September 30, 2022 and 2021, the Zoo's financial assets available to meet general expenditures within one year were as follows:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 16,066,827	15,414,077
Accounts and other receivables	1,759,495	977,794
Pledges receivable, net	2,178,233	2,391,953
Investments	21,647,776	21,899,947
Beneficial interest in assets held by the others	501,070	581,309
Cash restricted for long-term use	874,492	648,226
Total financial assets	43,027,893	41,913,306
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Pledges receivable, net	(2,040,619)	(1,953,536)
Contributions and grants for long-term use	(262,607)	(127,190)
Capital contributions for long-term use	(611,885)	(243,922)
Undistributed gains restricted for specific programs	(1,559,680)	(2,035,450)
Endowment funds	(5,979,453)	(5,979,453)
Board-designations:		
Quasi-endowment	(12,410,198)	(15,703,037)
Financial assets available to meet general expenditures within one year	\$ 20,163,451	15,870,718

(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 no contributions to the plan during the years ended September 30, 2022 and 2021. In fiscal 2022, the plan was terminated, effective June 30, 2022.

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 \$305,000 and \$215,000 during the years ended September 30, 2022 and 2021.

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

(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, 2022, the gross amount of equipment and related accumulated amortization recorded under the capital lease were \$478,273 and \$127,491, respectively. 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, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Capital Lease</u>	<u>Operating Leases</u>	<u>Total</u>
2023	\$ 106,273	189,000	295,273
2024	99,618	144,000	243,618
2025	86,310	128,000	214,310
2026	69,283	-	69,283
2027	8,678	-	8,678
Total minimum lease payments	370,162	<u>461,000</u>	<u>831,162</u>
Less amount representing interest	<u>(789)</u>		
Present value of lease payments	<u>\$ 369,373</u>		

Equipment rental expense for the Zoo was approximately \$309,000 and \$298,000 for the years ended September 30, 2022 and 2021, respectively.

(15) Food and Beverage Agreement

Effective January 2019, the Society entered into an agreement with Ovations Food Services (now known as Oak View Group) to grant Ovations the exclusive rights to manage and operate the food and beverage concessions services and catering services at ZooTampa at Lowry Park. 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.

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

(16) Related-Party Transactions

Portions of contributions receivable and contributions revenues at September 30, 2022 and 2021 and received for the years then ended are commitments made by various trustees. At September 30, 2022 and 2021, contributions receivable from trustees were \$725,055 and \$537,500, respectively. For the year ended September 30, 2022 and 2021, contributions from trustees were \$683,250 and \$225,000, respectively.

(17) Concentration - Grant Funding

During the year ended September 30, 2021, The Zoo received a significant level of direct federal support from the Small Business Administration (“SBA”) as a source of funding. Much of this support was provided in connection with the U.S. federal governments COVID-19 relief programs. Grant revenues from SBA contract awards represented approximately 19% of total support and revenue for the year ended September 30, 2021.

(18) 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

(18) Fair Value of Financial Instruments - Continued

The fair value of the Zoo's investments at September 30, 2022 was as follows:

<u>Description</u>	<u>Assets Measured at Fair Value at September 30, 2022</u>	<u>Fair Value Measurements at September 30, 2022 Using</u>		
		<u>Observable Inputs (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Fixed Income	\$ 4,365,381	-	4,365,381	-
Large growth	2,209,748	-	2,209,748	-
Large blend	1,798,294	-	1,798,294	-
Large value	1,711,589	-	1,711,589	-
International	228,923	-	228,923	-
All cap	726,214	-	726,214	-
Small/mid blend	2,581,494	-	2,581,494	-
Limited	5,291,924	-	5,291,924	-
Intermediate	1,794,748	-	1,794,748	-
	<u>\$ 20,708,315</u>	<u>-</u>	<u>20,708,315</u>	<u>-</u>

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

<u>Description</u>	<u>Assets Measured at Fair Value at September 30, 2021</u>	<u>Fair Value Measurements at September 30, 2021 Using</u>		
		<u>Observable Inputs (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
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>

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

(18) Fair Value of Financial Instruments - Continued

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, 2022 and 2021, respectively:

	2022	2021
Investments at fair value within the fair value hierarchy	\$ 20,708,315	21,452,429
Alternative investments measured at NAV	939,461	447,518
Total investments at fair value	\$ 21,647,776	21,899,947
Beneficial interest in assets held by the Community Foundation measured at NAV	\$ 501,070	581,309

Alternative investments 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.

Restrictions on the timing of redemptions or other liquidation events are applicable to certain of the Zoo’s alternative investments. Unfunded commitments under alternative investment vehicles were \$825,000 at June 30, 2022.

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.

(19) 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 was 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

(19) 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 has 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 submitted a formal request for forgiveness and received notice of the legal release of the obligation in March 2022.

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.

(20) 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, 2022 will have a material adverse effect on the combined financial statements.

(21) Subsequent Events

The Zoo has evaluated events and transactions for potential recognition or disclosure in the combined financial statements through January 31, 2023, 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, 2022

	<u>Lowry Park Zoological Society of Tampa, Inc.</u>	<u>Lowry Park Zoo Endowment Foundation, Inc.</u>	<u>Eliminations</u>	<u>Combined Total</u>
Assets				
Cash and cash equivalents	\$ 15,978,920	43,185	44,722	16,066,827
Accounts and other receivables	1,759,495	-	-	1,759,495
Inventories	560,483	-	-	560,483
Prepaid expenses	829,532	-	-	829,532
Pledges receivable, net	2,178,233	-	-	2,178,233
Investments	4,365,381	17,282,395	-	21,647,776
Interest in KML Properties, LLC	-	364,272	-	364,272
Beneficial interest in assets held by the Community Foundation	-	501,070	-	501,070
Notes receivable from affiliate	-	1,913,489	(1,913,489)	-
Property and equipment, net	43,980,102	-	-	43,980,102
Cash restricted for long-term use	874,492	-	-	874,492
	<u>\$ 70,526,638</u>	<u>20,104,411</u>	<u>(1,868,767)</u>	<u>88,762,282</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 4,314,060	-	-	4,314,060
Deferred revenue	3,377,662	-	-	3,377,662
Capital leases	369,373	-	-	369,373
Long-term debt	1,740,185	-	-	1,740,185
Notes payable to affiliate	1,875,182	-	(1,875,182)	-
	<u>11,676,462</u>	<u>-</u>	<u>(1,875,182)</u>	<u>9,801,280</u>
Net assets:				
Without donor restrictions:				
Operations surplus	14,965,331	364,272	(1,516,266)	13,813,337
Property and equipment, net of related debt	40,364,735	-	1,913,489	42,278,224
Board-designated endowment funds	-	12,794,293	(384,095)	12,410,198
	<u>55,330,066</u>	<u>13,158,565</u>	<u>13,128</u>	<u>68,501,759</u>
With donor restrictions	<u>3,520,110</u>	<u>6,945,846</u>	<u>(6,713)</u>	<u>10,459,243</u>
Total net assets	<u>58,850,176</u>	<u>20,104,411</u>	<u>6,415</u>	<u>78,961,002</u>
Total liabilities and net assets	<u>\$ 70,526,638</u>	<u>20,104,411</u>	<u>(1,868,767)</u>	<u>88,762,282</u>

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

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>
Assets				
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
	<u>\$ 63,172,678</u>	<u>23,816,958</u>	<u>(1,982,380)</u>	<u>85,007,256</u>
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)	-
	<u>11,641,194</u>	<u>-</u>	<u>(2,014,711)</u>	<u>9,626,483</u>
Net assets:				
Without donor restrictions:				
Operations deficit	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
	<u>48,223,723</u>	<u>16,402,055</u>	<u>209,445</u>	<u>64,835,223</u>
With donor restrictions	<u>3,307,761</u>	<u>7,414,903</u>	<u>(177,114)</u>	<u>10,545,550</u>
Total net assets	<u>51,531,484</u>	<u>23,816,958</u>	<u>32,331</u>	<u>75,380,773</u>
Total liabilities and net assets	<u>\$ 63,172,678</u>	<u>23,816,958</u>	<u>(1,982,380)</u>	<u>85,007,256</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, 2022

	<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	\$ 22,917,571	-	-	22,917,571
Restaurant and gift shop sales, net	7,014,538	-	-	7,014,538
Concessions, net	1,111,910	-	-	1,111,910
Fundraising and special events - net of direct expense of \$225,614	566,667	-	-	566,667
Education classes and programs	829,041	-	-	829,041
Interactive experiences	847,422	-	-	847,422
Contributions	4,386,303	46,052	(917,755)	3,514,600
Contributed nonfinancial assets	264,414	-	-	264,414
Grants	3,622,582	-	-	3,622,582
Investment return, net	(316,139)	(2,764,505)	-	(3,080,644)
Other revenues	621,441	-	-	621,441
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and support	41,865,750	(2,718,453)	(917,755)	38,229,542
Operating expenses:				
Program services:				
Animal collections and care	7,283,143	-	-	7,283,143
Merchandise and selling operations	2,623,307	-	-	2,623,307
Park operations and maintenance	11,033,782	-	-	11,033,782
Educational activities	959,878	-	-	959,878
Public policy, media and community issues	611,987	-	-	611,987
Payments to affiliate	-	917,755	(917,755)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	22,512,097	917,755	(917,755)	22,512,097
Support services:				
General and administrative	3,404,313	17,162	-	3,421,475
Development	930,580	60,000	-	990,580
Marketing and membership activities	3,478,010	-	-	3,478,010
	<hr/>	<hr/>	<hr/>	<hr/>
Total support services	7,812,903	77,162	-	7,890,065
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses	30,325,000	994,917	(917,755)	30,402,162
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets before other income (expense)	11,540,750	(3,713,370)	-	7,827,380
Other income (expense):				
Change in beneficial interest assets	-	(80,239)	-	(80,239)
Change in interest in KML Properties, LLC	-	31,504	-	31,504
Depreciation	(4,081,902)	-	-	(4,081,902)
Interest income - affiliate	-	49,558	(49,558)	-
Interest expense	(128,254)	-	23,642	(104,612)
Other expenses and losses	(11,902)	-	-	(11,902)
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	7,318,692	(3,712,547)	(25,916)	3,580,229
Net assets at beginning of year	51,531,484	23,816,958	32,331	75,380,773
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ 58,850,176	20,104,411	6,415	78,961,002

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

	Lowry Park Zoological Society of Tampa, Inc.	Lowry Park Zoo Endowment Foundation, Inc.	Eliminations	Combined Total
Revenues and support:				
Admissions charges	\$ 20,751,381	-	-	20,751,381
Restaurant and gift shop sales, net	6,535,021	-	-	6,535,021
Concessions, net	1,099,972	-	-	1,099,972
Fundraising and special events - net of direct expense of \$46,735	38,890	-	-	38,890
Education classes and programs	791,392	-	-	791,392
Interactive experiences	690,669	-	-	690,669
Contributions	4,059,066	33,866	(882,511)	3,210,421
Contributed nonfinancial assets	221,832	-	-	221,832
Grants	12,206,124	-	-	12,206,124
Investment return, net	210,616	5,627,183	-	5,837,799
Other revenues	614,047	-	-	614,047
Total revenues and support	47,219,010	5,661,049	(882,511)	51,997,548
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	9,394,495	-	-	9,394,495
Educational activities	836,540	-	-	836,540
Public policy, media and community issues	592,366	-	-	592,366
Payments to affiliate	-	882,511	(882,511)	-
Total program services	19,342,159	882,511	(882,511)	19,342,159
Support services:				
General and administrative	2,607,330	16,727	-	2,624,057
Development	774,361	45,000	-	819,361
Marketing and membership activities	2,901,356	-	-	2,901,356
Total support services	6,283,047	61,727	-	6,344,774
Total operating expenses	25,625,206	944,238	(882,511)	25,686,933
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)
Change in net assets	17,862,733	4,827,237	31,919	22,721,889
Net assets at beginning of year	33,668,751	18,989,721	412	52,658,884
Net assets at end of year	\$ 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 Cash Flows

For the Year Ended September 30, 2022

	<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:	\$ 7,318,692	(3,712,547)	(25,916)	3,580,229
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	4,081,902	-	-	4,081,902
Loss on disposal of equipment	13,216	-	-	13,216
Net realized and unrealized losses on investments	385,597	3,723,414	-	4,109,011
Net decrease in fair value of beneficial interests	-	80,239	-	80,239
Net increase in KML Properties, LLC interest	-	(31,504)	-	(31,504)
Changes in operating assets and liabilities:				
Accounts and other receivables	(781,701)	-	-	(781,701)
Inventories	(185,570)	-	-	(185,570)
Prepaid expenses	641,049	-	-	641,049
Pledges receivable, net	213,720	-	-	213,720
Accounts payable and accrued expenses	666,523	-	-	666,523
Deferred revenue	(35,764)	-	-	(35,764)
Net cash provided by (used in) operating activities	12,317,664	59,602	(25,916)	12,351,350
Cash flows from investing activities:				
Payments received on notes receivable from affiliate	-	139,529	(139,529)	-
Distributions received from KML Properties, LLC	-	25,000	-	25,000
Proceeds from sales of investments	-	4,060,107	-	4,060,107
Purchases of investments	(3,567,861)	(4,349,086)	-	(7,916,947)
Proceeds from sale of property and equipment	33,033	-	-	33,033
Purchases of property and equipment	(6,956,535)	-	-	(6,956,535)
Net cash provided by (used in) investing activities	(10,491,363)	(124,450)	(139,529)	(10,755,342)
Cash flows from financing activities:				
Payments of obligations under capital leases	(91,973)	-	-	(91,973)
Payments on notes payable to affiliate	(139,529)	-	139,529	-
Payments on long-term debt	(625,019)	-	-	(625,019)
Net cash provided by (used in) financing activities	(856,521)	-	139,529	(716,992)
Net change in cash and cash equivalents	969,780	(64,848)	(25,916)	879,016
Cash and cash equivalents at beginning of year	15,883,632	108,033	70,638	16,062,303
Cash and cash equivalents at end of year	\$ 16,853,412	43,185	44,722	16,941,319
Cash and cash equivalents consist of:				
Cash and cash equivalents	\$ 15,978,920	43,185	44,722	16,066,827
Cash restricted for long-term use	874,492	-	-	874,492
	\$ 16,853,412	43,185	44,722	16,941,319
Supplemental disclosure of cash flow information:				
Cash paid for interest	\$ 128,254	-	(49,558)	78,696
Non-cash investing and financing activities:				
Change in accounts payable attributable to purchases of property and equipment	\$ 122,312	-	-	122,312
Equipment acquired under capital lease obligation	\$ 138,718	-	-	138,718

**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

	<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:	\$ 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	(196,651)	(5,285,392)	-	(5,482,043)
Net increase in fair value of beneficial interests	-	(125,168)	-	(125,168)
Net increase 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	20,540,287	(564,823)	31,919	20,007,383
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	(13,436)	(3,716,571)	-	(3,730,007)
Purchases of property and equipment	(5,022,766)	-	-	(5,022,766)
Net cash provided by (used in) investing activities	(5,036,202)	605,794	(34,883)	(4,465,291)
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
Change in accounts payable attributable to purchases of property and equipment	\$ 321,902	-	-	321,902
Change in long-term debt attributable to conversion of line of credit to term loan	\$ 339,555	-	-	339,555

See accompanying independent auditors' report.

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

Schedule of Expenditures of State Financial Assistance

For the Year Ended September 30, 2022

<u>Grantor/Project Title</u>	<u>Contract/ Grant Number</u>	<u>State CSFA Number</u>	<u>Current Year Expenditures</u>	<u>Transfers to Subrecipients</u>
Fish and Wildlife Conservation Commission				
Manatee Rehabilitation Reimbursement Program	21072	77.013	\$ 676,747	-
Zoo Tampa Panther Medical and Habitat Facilities	19211	77.043	<u>56,608</u>	<u>-</u>
Subtotal - Fish and Wildlife Conservation Commission			<u>733,355</u>	<u>-</u>
Department of State and Secretary of State				
Cultural Facilities Grant Program		45.014	350,000	-
General Program Support (Cultural and Museum Grants)	22.c.ps.170.499 23.c.ps.170.622	45.061	58,751 <u>37,500</u>	- <u>-</u>
Total General Program Support (Cultural and Museum Grants)			<u>96,251</u>	<u>-</u>
Subtotal - Department of State and Secretary of State			<u>446,251</u>	<u>-</u>
Total expenditures of state financial assistance			<u>\$ 1,179,606</u>	<u>-</u>

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

Notes to Schedule of Expenditures of State Financial Assistance

For the Year Ended September 30, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) includes the state grant activity of Lowry Park Zoological Society of Tampa, Inc. and the Lowry Park Zoo Endowment Foundation, Inc. (collectively, the “Zoo”) under projects of the State of Florida for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Zoo, it is not intended to and does not present the 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 the Department of Financial Services’ State Projects Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Contingencies

These State projects are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Zoo’s continued participation in specific projects. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Zoo expects such amounts, if any, to be immaterial.

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, 2022, 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 31, 2023.

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 31, 2023
St. Petersburg, Florida



**Independent Auditors’ Report on Compliance for Each Major State Project
and on Internal Control Over Compliance Required by Chapter 10.650,
Rules of the State of Florida Auditor General**

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

Opinion on Each Major State Project

We have audited 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 *Department of Financial Services’* State Projects Compliance Supplement that could have a direct and material effect on the Zoo’s major state project for the year ended September 30, 2022. The Zoo’s major state project is identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

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 state project for the year ended September 30, 2022.

Basis for Opinion on Each Major State Project

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; and the audit requirements of Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and Chapter 10.650, *Rules of the Auditor General*, are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Zoo and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the Zoo’s compliance with the compliance requirements referred to above.

Management’s Responsibility

Management is responsible for compliance with State statutes, regulations and the terms and conditions of its State projects applicable to its major State project.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Zoo’s state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether to do with fraud or error, and express an opinion on the Zoo's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Zoo's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Zoo's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Zoo's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Zoo's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 state project 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 state project 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 first paragraph of this section 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 Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

MAYER HOFFMAN McCANN P.C.

January 31, 2023
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, 2022

(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 state project are reported in the independent auditors' report on compliance for each major state project and on internal control over compliance required by Chapter 10.650, *Rules of the Auditor General*.
5. The auditors' report on compliance for the major state project of the Zoo expresses an unmodified opinion.
6. Audit findings, if any, that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*, are reported in Part C, of this schedule.
7. The project tested as a major state project was:

Manatee Rehabilitation Reimbursement Program (CSFA No. 77.013)
8. The threshold for distinguishing Types A and B projects was \$353,882 for major projects.

(B) Findings - Audit of Combined Financial Statements

None.

(C) Findings and Questioned Costs - Major State Project

None.

(D) Other Issues

No Corrective Action Plan is required because there were no findings required to be reported under Chapter 10.650 or the Florida Single Audit Act. A Summary Schedule of Prior Audit Findings is not required because the audit of the was not subject to audit requirements under Chapter 10.650 for the year ended September 30, 2021.



Management Letter

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

Report on the Combined Financial Statements

We have audited the combined financial statements of Lowry Park Zoological Society of Tampa, Inc. as of and for the year ended September 30, 2022, and have issued our report thereon dated January 31, 2023.

Auditors' Responsibility

We conducted our audit 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 Chapter 10.650, *Rules of the State of Florida Auditor General*.

Other Reports and Schedule

We have issued our 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*, our Independent Auditors' Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the State of Florida Auditor General*, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 31, 2023, should be considered in conjunction with this management letter.

Other Matter

Section 10.654(1)(e), *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the combined financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not identify any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

MAYER HOFFMAN McCANN P.C.

January 31, 2023
St. Petersburg, Florida