

**EAST COAST ZOOLOGICAL  
SOCIETY OF FLORIDA, INC.**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023

## TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT .....	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position .....	4
Statements of Activities .....	5
Statement of Functional Expenses 2024. ....	6
Statement of Functional Expenses 2023. ....	7
Statements of Cash Flows .....	8
Notes to Financial Statements .....	9-24
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of State Financial Assistance .....	25
Notes to the Schedule of Expenditures of State Financial Assistance	26
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	27-28
Independent Auditor’s Report on Compliance and on Internal Control over Compliance Required by Chapter 10.650, <i>Rules of     the Auditor General</i> .....	29-31
Schedule of Findings and Questioned Costs – State Financial Assistance Projects .....	32-33



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
East Coast Zoological Society of Florida, Inc.  
Melbourne, Florida

### Opinion

We have audited the accompanying financial statements of East Coast Zoological Society of Florida, Inc. (a nonprofit organization) (the "Zoo" or "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Coast Zoological Society of Florida, Inc. as of December 31, 2024, and the statements of activities, functional expenses and its 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Prior Period Financial Statements

The financial statements of the Organization as of December 31, 2023 were audited by other auditors whose report dated May 31, 2024 expressed an unmodified opinion on those statements.

### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by *Chapter 10.650, Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
July 10, 2025

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**

<b>ASSETS</b>		
	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 5,355,656	\$ 6,961,717
Accounts and grants receivable	454,999	666
Pledges receivable	1,309,672	6,457,823
Prepaid expenses	271,610	439,066
Total current assets	<u>7,391,937</u>	<u>13,859,272</u>
Property and equipment, net	<u>14,119,925</u>	<u>12,321,197</u>
Other non-current assets:		
Pledges receivable, net	11,044,662	5,302,629
Investments	27,358,774	21,303,312
Beneficial interest in assets held by others	1,892,501	1,418,865
Construction in progress	8,356,984	5,507,015
Total other non-current assets	<u>48,652,921</u>	<u>33,531,821</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 70,164,783</b></u>	<u><b>\$ 59,712,290</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 584,803	\$ 460,212
Accrued payroll and benefits	756,813	1,160,343
Deferred revenue	1,849,444	1,541,596
Current portion of notes payable	508,498	506,304
Contracts payable	-	4,385
Total current liabilities	<u>3,699,558</u>	<u>3,672,840</u>
Notes payable	<u>3,625,186</u>	<u>4,133,937</u>
<b>TOTAL LIABILITIES</b>	<u><b>7,324,744</b></u>	<u><b>7,806,777</b></u>
NET ASSETS		
Net assets without donor restrictions, including board designated	22,033,523	16,240,028
Net assets with donor restrictions	<u>40,806,516</u>	<u>35,665,485</u>
<b>TOTAL NET ASSETS</b>	<u><b>62,840,039</b></u>	<u><b>51,905,513</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 70,164,783</b></u>	<u><b>\$ 59,712,290</b></u>

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

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>REVENUES AND OTHER SUPPORT:</b>						
Contributions	\$ 647,710	\$ 12,078,607	\$ 12,726,317	\$ 897,596	\$ 12,334,121	\$ 13,231,717
Admissions	7,267,071	-	7,267,071	6,865,306	-	6,865,306
Memberships	3,034,620	-	3,034,620	2,895,723	-	2,895,723
Education and conservation	845,973	-	845,973	1,573,540	-	1,573,540
Grants and contracts	1,099,527	1,324,246	2,423,773	398,840	628,699	1,027,539
Restaurant and gift shop sales	969,696	-	969,696	947,480	-	947,480
Fundraising and special events	993,547	-	993,547	815,382	-	815,382
Animal feeding and tours	2,106,494	-	2,106,494	703,126	-	703,126
Lodge income	147,698	-	147,698	287,206	-	287,206
Other income	351,727	-	351,727	156,397	-	156,397
Guest services	95,098	-	95,098	94,437	-	94,437
Investment income	275,946	1,133,348	1,409,294	328,050	815,786	1,143,836
Net assets released from restrictions	9,395,170	(9,395,170)	-	5,770,260	(5,770,260)	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>27,230,277</b>	<b>5,141,031</b>	<b>32,371,308</b>	<b>21,733,343</b>	<b>8,008,346</b>	<b>29,741,689</b>
<b>EXPENSES:</b>						
Program services:						
Zoo operations	13,288,602	-	13,288,602	12,912,078	-	12,912,078
Education and conservation	2,943,835	-	2,943,835	3,227,767	-	3,227,767
Total program services	16,232,437	-	16,232,437	16,139,845	-	16,139,845
Supporting activities:						
Administration	2,155,791	-	2,155,791	2,014,610	-	2,014,610
Fundraising	3,048,554	-	3,048,554	2,085,457	-	2,085,457
Total supporting activities	5,204,345	-	5,204,345	4,100,067	-	4,100,067
<b>TOTAL EXPENSES</b>	<b>21,436,782</b>	<b>-</b>	<b>21,436,782</b>	<b>20,239,912</b>	<b>-</b>	<b>20,239,912</b>
CHANGE IN NET ASSETS	5,793,495	5,141,031	10,934,526	1,493,431	8,008,346	9,501,777
NET ASSETS AT BEGINNING OF YEAR	16,240,028	35,665,485	51,905,513	14,746,597	27,657,139	42,403,736
NET ASSETS AT END OF YEAR	\$ 22,033,523	\$ 40,806,516	\$ 62,840,039	\$ 16,240,028	\$ 35,665,485	\$ 51,905,513

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

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services			Supporting Activities		
	Zoo Operations	Education and Conservation	Total Program Services	Administration	Fundraising	Total Expenses
Expenses before interest and depreciation						
Salaries and wages	\$ 6,012,757	\$ 1,509,438	\$ 7,522,195	\$ 971,232	\$ 854,491	\$ 9,347,918
Benefits and payroll taxes	1,089,312	243,040	1,332,352	95,180	125,365	1,552,897
Insurance	841,418	232,003	1,073,421	154,669	77,334	1,305,424
Advertising and marketing	571,626	-	571,626	-	231,738	803,364
Programs, projects and special events	509,935	214,639	724,574	41,382	68,154	834,110
Animal health and veterinary services	923,181	-	923,181	-	-	923,181
Utilities	472,053	114,680	586,733	34,671	29,336	650,740
Buildings and grounds maintenance	280,334	14,941	295,275	789	120	296,184
Bank and service charges	319,442	3,349	322,791	69,057	34,074	425,922
Information technology costs	152,286	27,373	179,659	177,070	50,471	407,200
Equipment, furniture and fixtures	295,904	36,403	332,307	1,431	10,952	344,690
Supplies	187,700	54,679	242,379	9,557	4,744	256,680
Credit loss expense	20,076	-	20,076	-	1,140,419	1,160,495
Grant expense	5,067	75,231	80,298	50,355	3,205	133,858
Legal and professional	7,590	2,361	9,951	353,356	254,704	618,011
Travel, conferences and training	59,702	33,285	92,987	91,306	22,751	207,044
Cost of merchandise sold	48,364	-	48,364	-	-	48,364
Donor cultivation and outreach	724	-	724	5,955	79,830	86,509
Postage and direct mailings	18,751	43,220	61,971	17,364	37,892	117,227
Other employee-related expenses	15,035	2,867	17,902	41,409	1,447	60,758
Vehicle	30,275	10,498	40,773	-	-	40,773
Fuel	19,040	17,646	36,686	410	133	37,229
Green team	37,457	-	37,457	-	-	37,457
Contract services	8,803	54,465	63,268	-	14,688	77,956
Animal acquisitions	15,162	-	15,162	-	-	15,162
Uniforms	12,447	3,024	15,471	914	774	17,159
Local business expense	-	-	-	-	-	-
Total expenses before interest and depreciation	11,954,441	2,693,142	14,647,583	2,116,107	3,042,622	19,806,312
Interest and depreciation						
Interest	178,215	-	178,215	-	-	178,215
Depreciation	1,155,946	250,693	1,406,639	39,684	5,932	1,452,255
Total interest and depreciation	1,334,161	250,693	1,584,854	39,684	5,932	1,630,470
Total expenses	\$ 13,288,602	\$ 2,943,835	\$ 16,232,437	\$ 2,155,791	\$ 3,048,554	\$ 21,436,782

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

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services			Supporting Activities		
	Zoo Operations	Education and Conservation	Total Program Services	Administration	Fundraising	Total Expenses
Expenses before interest and depreciation						
Salaries and wages	\$ 5,820,495	\$ 1,459,271	\$ 7,279,766	\$ 677,569	\$ 867,816	\$ 8,825,151
Benefits and payroll taxes	1,231,669	290,140	1,521,809	105,194	120,498	1,747,501
Insurance	699,013	205,639	904,652	254,186	63,547	1,222,385
Advertising and marketing	684,482	-	684,482	-	388,701	1,073,183
Programs, projects and special events	446,774	523,748	970,522	26,756	64,384	1,061,662
Animal health and veterinary services	910,851	-	910,851	-	-	910,851
Utilities	372,930	119,185	492,115	47,701	39,179	578,995
Buildings and grounds maintenance	393,405	23,954	417,359	32,227	811	450,397
Bank and service charges	132,518	14,234	146,752	188,973	30,969	366,694
Information technology costs	116,367	25,264	141,631	156,451	60,848	358,930
Equipment, furniture and fixtures	193,484	41,919	235,403	50,630	10,943	296,976
Supplies	238,865	36,729	275,594	16,580	2,259	294,433
Credit loss expense	1,389	-	1,389	129,830	127,470	258,689
Grant expense	23,032	216,709	239,741	4,973	6,125	250,839
Legal and professional	7,124	895	8,019	105,295	132,207	245,521
Travel, conferences and training	69,424	16,936	86,360	35,249	33,947	155,556
Cost of merchandise sold	36,507	-	36,507	48,997	-	85,504
Donor cultivation and outreach	380	-	380	-	78,799	79,179
Postage and direct mailings	17,946	498	18,444	10,923	43,054	72,421
Other employee-related expenses	12,174	2,534	14,708	48,679	2,822	66,209
Vehicle	49,889	564	50,453	-	-	50,453
Fuel	25,497	9,339	34,836	-	524	35,360
Green team	-	18	18	30,550	3,747	34,315
Contract services	2,097	23,019	25,116	-	-	25,116
Animal acquisitions	17,177	-	17,177	-	-	17,177
Uniforms	6,713	1,313	8,026	8,150	875	17,051
Local business expense	447	420	867	1,004	-	1,871
Total expenses before interest and depreciation	<u>11,510,649</u>	<u>3,012,328</u>	<u>14,522,977</u>	<u>1,979,917</u>	<u>2,079,525</u>	<u>18,582,419</u>
Interest and depreciation						
Interest	225,162	-	225,162	-	-	225,162
Depreciation	1,176,267	215,439	1,391,706	34,693	5,932	1,432,331
Total interest and depreciation	<u>1,401,429</u>	<u>215,439</u>	<u>1,616,868</u>	<u>34,693</u>	<u>5,932</u>	<u>1,657,493</u>
Total expenses	<u>\$ 12,912,078</u>	<u>\$ 3,227,767</u>	<u>\$ 16,139,845</u>	<u>\$ 2,014,610</u>	<u>\$ 2,085,457</u>	<u>\$ 20,239,912</u>

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

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 10,934,526	\$ 9,501,777
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,452,255	1,432,331
Investment income	(1,409,294)	(1,143,836)
Contributed investments	(1,301,814)	(1,343,134)
Credit loss expense	1,060,495	258,689
(Increase) decrease in operating assets:		
Accounts and grants receivable	(454,333)	429,681
Pledges receivable	(1,654,377)	(5,144,029)
Prepaid expenses	167,456	(74,986)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	124,591	259,167
Accrued payroll and benefits	(403,530)	177,572
Deferred revenue	307,848	(7,956)
Contracts payable	(4,385)	4,385
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>8,819,438</u>	<u>4,349,661</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment, net	(3,250,983)	(832,644)
Payments for construction in progress	(2,849,969)	(3,580,272)
Purchases of investments	(3,817,990)	(239,147)
Proceeds from the sale of investments	-	3,316,000
NET CASH USED IN INVESTING ACTIVITIES	<u>(9,918,942)</u>	<u>(1,336,063)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(506,557)	(1,613,839)
NET CASH USED IN FINANCING ACTIVITIES	<u>(506,557)</u>	<u>(1,613,839)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,606,061)	1,399,759
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>6,961,717</u>	<u>5,561,958</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR	<u>\$ 5,355,656</u>	<u>\$ 6,961,717</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 178,215</u>	<u>\$ 225,162</u>

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

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

East Coast Zoological Society of Florida, Inc. (the “Zoo” or “Organization”) is a nonprofit corporation organized under the Florida Not-For-Profit Corporation Act in December 1984, and began operations in 1994. The Zoo’s mission statement is “We share our joy of nature to help wildlife and people thrive.” The Organization’s primary campus, Brevard Zoo, is the largest zoo in East Central Florida, caring for more than 800 animals and welcoming more than 500,000 visitors annually. Accredited by the Association of Zoos and Aquariums, Brevard Zoo was voted the third-best zoo in the nation in the 2024 USA TODAY 10 Best Readers’ Choice awards.

As a regional leader in environmental conservation and education, the Zoo answers the call to address Florida’s most urgent conservation challenges. Since 2014, the Restore Our Shores program has engaged over 70,000 volunteers in the restoration of the Indian River Lagoon, the Zoo’s Sea Turtle Healing Center cares for over 100 sick and injured turtles a year, and the Zoo partners with government agencies to protect and restore endangered Florida species. In addition, the Zoo’s education programs engage more than 50,000 students and adults a year in field trips, classroom-based STEM and literacy programs, youth development, summer camps, and more. The Zoo’s programs work at the intersection of environmental conservation and education, bringing the community together to build a healthier, more thriving world for people and wildlife alike.

In December 2021, the Zoo launched their Our Legacy Campaign to raise funds for a new Aquarium Project as well as funding for the Brevard Zoo. On December 31, 2024, pledges through the Our Legacy Campaign and prior Aquarium Project funding totaled \$86.1M. In accordance with the Zoo’s accounting policies, conditional contributions are not recognized as revenue until the conditions are satisfied. For this reason, the full value pledged to date is not reflected in the financial statements due to specific conditions related to timing and project status.

**Use of Estimates**

The preparation of 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

**Basis of Presentation**

Financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958, *Not-for-profit Entities*, as amended by Accounting Standard Update (ASU) No. 2016-14.

FASB ASC 958 requires a not-for-profit entity to present on the face of the statement of financial position amounts for two classes of net assets: net assets without donor restrictions and net assets with donor restrictions; and on the face of the statement of activities the amount of change in each of the two classes. In addition, the Organization is required to present:

- The amounts of expenses by both their natural classification and their functional classification, including disclosures concerning the methods used for cost allocation between functional classifications.
- Qualitative and quantitative disclosure information on liquidity and availability of financial assets to meet the Organization’s cash needs for general expenditure within one year.
- The composition of donor restricted net assets at period-end.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

**Basis of Presentation** (Continued)

- Self-imposed limits on use of resources without donor restrictions at the end of the period, including designations and reserves.
- Investment returns net of external and direct internal investment expenses and no longer require the disclosure of those netted expenses.

**Accounts Receivable**

Accounts receivable include amounts due for services provided by the Zoo. The Zoo records receivables at net realizable value using the allowance method.

**Promises to Give/Pledges Receivable**

Contributions are recognized when the donor makes a promise to give to the Zoo that is, in substance, unconditional. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are satisfied in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

As of December 31, 2024, there were a significant number of pledges received for the Zoo's Aquarium Project, many of which were expected to be received over a period of five years. As such, management applied a discount rate to these long-term pledges to estimate their net present value. At December 31, 2024, the discount applied against long-term pledges totaled \$509,938.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Zoo considers all highly liquid debt instruments and certificates of deposits purchased with a maturity of three months or less to be cash equivalents.

**Beneficial Interest in Assets Held by Others**

The Zoo reports funds designated by the board of directors and transferred to a fund at the Community Foundation of Brevard, Inc. (CFB) as a beneficial interest in assets held by others. These funds established the Brevard Zoo Endowment Fund for which the Zoo has designated itself as the beneficiary (see Note 8). The beneficial interest in assets held by others is reported at fair value as determined by the CFB by calculating the Zoo's portion of the total value of the investments held in the fund.

**Investments**

In accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments – Debt and Equity Securities*, the securities are stated in the financial statements at fair value based on quoted market prices in an active market at the reporting date. Unrealized gains and losses on the securities are reported as changes in unrestricted net assets. Realized gains and losses from the sale of securities are determined on an average cost basis.

In accordance with the Zoo's investment policy statement, excess cash is invested in a manner to manage investment risk and optimize investment returns within defined acceptable risk parameters. The investment policy creates two separate investment pools, an operating fund and a capital fund. Unless specified by the board of directors, all investments will be considered allocated to the operating fund. As of the financial position date, there have been no investments designated for the capital fund.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

**Property and Equipment, net**

Property and equipment is recorded at cost, if purchased. The Zoo capitalizes all land and buildings and all expenditures for equipment with a value in excess of \$10,000 and a useful life greater than one year. Property and equipment is depreciated using the straight-line method over the assets' expected useful lives.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Zoo reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

**Deferred Compensation Plans**

The Organization sponsors a 403(b) plan for Zoo employees, offering up to a 3% match after meeting certain criteria. In addition, the Organization sponsors an Executive Deferred Compensation program for certain Executives.

**Compensated Absences**

Employees of the Zoo are entitled to paid vacations, paid sick days and personal days off, depending on their job classification, length of service, and other factors. The Company's policy is to recognize the costs of compensated absences when earned and accrued a liability for compensated absences, which is included in accrued payroll and benefits on the accompanying statement of financial position and totaled approximately \$370,000 at December 31, 2024 and 2023, respectively.

**Support, Donations and Revenue Recognition**

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in ASU 2018-08 provide guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction, determining whether a contribution is conditional, and modifies the simultaneous release option currently in U.S. GAAP, which allows a nonprofit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. This election may now be made for all restricted contributions that were initially classified as conditional without having to elect it for all other restricted contributions and investment returns.

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor-restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor-restricted support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

**Support, Donations and Revenue Recognition (Continued)**

Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets are placed in service.

Pledges and other donations are recognized as revenue when received or when the donor makes an unconditional promise to give to the Organization, whichever is earlier.

Conditional promises to give, including cost reimbursable grants, are recognized when the conditions on which they depend are substantially met.

Contributions recognized as revenue, increase net assets without donor restrictions unless the donor restricts their use to a particular period or purpose. In the absence of donor stipulations to the contrary, the Organization reports pledges restricted for use as time restricted to that period. Time restrictions expire when the pledges are due. Purpose restrictions expire when the contributed resources are spent for their stipulated purpose.

The following program and supporting services are included in the accompanying financial statements:

*Contributions – General* - Contributions are recognized as revenue when they are received or unconditionally pledged and are recorded at their estimated fair values.

*Contributions – Donor Restricted* - All donations are considered to be available for unrestricted use unless specifically restricted by the donor. The Zoo reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donated assets. Amounts that are restricted for future periods or restricted by the donor for specific purposes are reported as donor-restricted support; however, donor-restricted contributions whose restrictions are met within the same fiscal year are reported as unrestricted support. When a restriction is satisfied, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*Contributions – Estate gifts* - Estate gifts are recognized as revenue when received. Amounts that are restricted by the donor for specific purposes are reported as an increase in net assets with donor restrictions. If the gift is considered without donor restrictions, 50% will go to support the aquarium campaign and 50% will go to the endowment fund, unless the board designates it differently.

*Contributions – Services* - Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

*Grants* - Revenues are recognized on cost reimbursement government grants as allowable costs are incurred. For other grants, revenues are recognized as services are rendered. Grants receivable, if any, is the amount of revenue recognized in excess of the amounts received. Other grants are recognized as contributions.

*Membership Fees* - Membership fees are recorded as deferred revenue and amortized into income on a straight-line basis over twelve months. Deferred revenue consists primarily of unamortized annual membership fees. Membership benefits include free and early admission; discounts for special events, the cafe and the gift shop; a free newsletter subscription; and free or reduced admission to over 140 accredited zoos and aquariums in the United States and Canada.

*Program Service Revenue* - Program service revenues are earned at the time the service is rendered.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

**Contributed Goods and Services**

Contributed goods are recorded at their estimated fair market value on the date of receipt. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been paid for if not provided by donation. For the years ended 2024 and 2023, there were no contributed services meeting the requirements for recognition in the financial statements. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Zoo, but these services do not meet the criteria for recognition as contributed services.

**Advertising**

Advertising and marketing costs are expensed as incurred, and allocated among various program services and support services, as appropriate. Advertising and marketing costs totaled \$803,364 and \$1,073,183 for the year ended December 31, 2024 and 2023, respectively.

**Animal Collections**

Expenditures related to animal acquisitions are expensed in the period of acquisition.

**Income Taxes**

The Zoo is a not-for-profit organization that is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (“IRC”) and has been determined to be an organization that is not a private foundation. Accordingly, no provision for federal or state income taxes is reflected in the accompanying financial statements. Management evaluates the Zoo’s tax positions on an annual basis, both past and current. If management determines that a past or current tax position is uncertain, then a tax liability is calculated to represent the increase in taxes anticipated upon examination. As of December 31, 2024, management has determined that all past and current tax positions were likely to be realizable and sustainable upon examination and that the calculation of a tax liability was not necessary.

Tax years ended 2021 through 2023 remain subject to possible examination by the Internal Revenue Service. Contributions to the Zoo are qualified as deductions for charitable contributions.

**Functional Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include interest, depreciation, utilities and insurance, which are allocated on a usage basis, as well as executive staff salaries, which are allocated on the basis of estimates of time and effort. Costs are associated with the following programs/functions:

Zoo Operations – Includes costs related to the care, wellness, and exhibition of the Zoo’s collection of more than 800 resident animals; veterinary programs and operations including the Sea Turtle Healing Center; and maintenance of Zoo’s guest, operational, and recreational facilities including Treetop Trek Aerial Adventure.

Education and Conservation – Includes costs related to the education of more than 50,000 children and adults a year through classroom-based programs, field trips, STEM education, camps, clubs, and more; and the conservation of ecosystems and wildlife through conservation breeding programs, translocation, monitoring of wild populations, and manatee rescue and transport.

Administration – Includes costs required to conduct the affairs of the Zoo that are not allocable to other functional areas, including management.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

**Functional Expenses (Continued)**

Fundraising – Includes costs to raise funds for the operations of the Zoo and the Organization’s \$100M Our Legacy Campaign, including all philanthropy, marketing and communications, and public relations efforts.  
Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

**Current Expected Credit Loss (“CECL”)**

The Organization has adopted the FASB Accounting Standards Codification (“ASC”) Topic 326, *Financial Instruments - Credit Losses*, commonly referred to as CECL, effective January 1, 2023. This standard significantly changes how the Organization accounts for credit losses on financial instruments, including accounts receivable, pledges receivable, held-to-maturity debt securities, and other financial assets measured at amortized cost.

Under CECL, the Organization is required to estimate lifetime expected credit losses at the time of origination or acquisition of a financial asset and to record an allowance for credit losses that represents the amount expected to be uncollectible. This represents a shift from the previous incurred loss model, which delayed recognition of credit losses until it was probable a loss had been incurred.

The Organization measures credit losses on financial assets by considering a broad range of information, including historical credit loss experience, current conditions, and reasonable and supportable forecasts about the future. The Organization utilizes a variety of models and analytical tools to estimate credit losses and adjusts historical loss information for differences in current asset-specific risk characteristics and environmental factors.

The Organization determines reasonable and supportable forecasts of future economic conditions over the relevant forecast period. These forecasts are based on a combination of internally developed and externally sourced economic data and projections. The Organization regularly reviews and updates its forecasts to reflect the most current available information.

Management has evaluated the potential for credit losses related to accounts receivable and has deemed any provision for losses to be immaterial to the financial statements as a whole. Management has evaluated the potential for credit losses related to pledges receivable and has recorded an allowance for credit losses of \$1,418,806 at December 31, 2024. For the year ended December 31, 2024, credit loss expense totaled \$1,160,495 and is included on the accompanying statement of functional expenses.

**Subsequent Events**

The Organization has evaluated subsequent events through July 10, 2025, which is the date the financial statements were available to be issued and determined that there were no subsequent events requiring adjustments or disclosures to the financial statements.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

**Cash Balances**

The Zoo maintains cash balances at various financial institutions, which are insured through the Federal Deposit Insurance Corporation (“FDIC”). The FDIC provides insurance limits up to \$250,000 per financial institution. From time to time, the Zoo maintains cash in banks in amounts that are in excess of federally insured limits. As of December 31, 2024 and 2023, the Zoo had \$4,894,460 and \$6,434,669 in excess of federally insured limits, respectively. The Zoo has not historically incurred losses on such accounts.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 2 – CONCENTRATIONS OF CREDIT RISK (Continued)

**Investment Balances**

The Zoo also maintained investment balances with a financial institution. Accounts at certain financial institutions are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$250,000 on cash claims, in the event of inappropriate actions by the broker. SIPC does not insure against market fluctuations.

Investments held by the financial institution included cash and money market balances which are insured by the FDIC as well as US Treasury Bills which are backed by the US Government. At December 31, 2024, the Zoo's uninsured investment balance totaled \$21,649,511 and \$12,476,442 at December 31, 2024 and 2023.

**Beneficial Interest in Assets Held by Others**

The balance reported as the beneficial interest in assets held by others is a pooled investment fund that is maintained by the Community Foundation for Brevard, Inc. and is uninsured.

NOTE 3 – PLEDGES RECEIVABLE, NET

Pledges receivable at December 31, 2024 are expected to be realized in the following periods:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 1,309,672	\$ 6,457,823
One to five years	11,873,406	5,995,153
Thereafter	<u>1,100,000</u>	<u>-</u>
Total	14,283,078	12,452,976
Less: allowance on long-term pledges	(1,418,806)	(473,589)
Less: discount on long-term pledges	<u>(509,938)</u>	<u>(218,935)</u>
Pledges receivable, net	<u>\$ 12,354,334</u>	<u>\$ 11,760,452</u>

For the years ended December 31, 2024 and 2023, credit loss expense was \$1,160,495 and \$258,689, respectively.

During the year ended December 31, 2024, management conducted a review of its credit loss allowance in connection with its ongoing capital campaign and in consideration of prevailing practices among peer nonprofit organizations. As a result of this evaluation, the Organization recorded a one-time increase in its allowance for credit losses totaling approximately \$985,000, which is reflected in the accompanying financial statements.

This adjustment was made to align the Organization's reserve methodology with those of similar entities and to prudently account for potential uncollectible pledges related to the capital campaign. Management does not anticipate the need for additional significant increases to the allowance in future periods based on current expectations and historical collection trends.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**NOTE 4 – FAIR VALUE MEASUREMENTS**

FASB ASC 820, Fair Value Measurements and Disclosures, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the company has the ability to access.
- Level 2            Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3            Inputs to the valuation methodology are unobservable and significant to fair value.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

- Investment in cash/money market, equities, government debt and securities, and corporate
- Beneficial interest in assets held by others: Determined by the Community Foundation for Brevard, Inc. (CFB) applying the Zoo's proportion to the total value of the pooled investments in the fund, therefore, the fair value is equal to the value reported by the CFB (See Note 8).

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

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

The following table sets forth by level, within the fair value hierarchy, the Zoo’s assets at fair value as of December 31, 2024 and 2023:

	<b>December 31, 2024</b>			
	Level 1	Level 2	Level 3	Total
Cash / money market	\$ 5,209,590	\$ -	\$ -	\$ 5,209,590
Equities	602,912	-	-	602,912
Government debt and securities	21,546,272	-	-	21,546,272
Beneficial interest in assets held by others	-	-	1,892,501	1,892,501
	<u>\$ 27,358,774</u>	<u>\$ -</u>	<u>\$ 1,892,501</u>	<u>\$ 29,251,275</u>

  

	<b>December 31, 2023</b>			
	Level 1	Level 2	Level 3	Total
Cash / money market	\$ 12,653,557	\$ -	\$ -	\$ 12,653,557
Equities	309,924	-	-	309,924
Government debt and securities	8,326,870	-	-	8,326,870
Corporate bonds	12,961	-	-	12,961
Beneficial interest in assets held by others	-	-	1,418,865	1,418,865
	<u>\$ 21,303,312</u>	<u>\$ -</u>	<u>\$ 1,418,865</u>	<u>\$ 22,722,177</u>

**NOTE 5 – ASSETS LIMITED AS TO USE**

Under an agreement with a bank dated May 23, 2018, the Zoo receives Tourism Development Tax (TDT) loans, which are used to fund capital projects or make debt service payments. The Zoo is required to maintain a designated depository account. In accordance with the terms of the agreement, TDT funds shall not be commingled with other Zoo project, operation or maintenance accounts.

Additionally, funds in excess of capital project costs and debt service shall be deposited into a debt reserve account to be used to retire the note payable. As of December 31, 2024, there were no excess funds available. Unexpended loan proceeds are reported as cash and cash equivalents and totaled \$1,254,261 and \$681,383 on December 31, 2024 and 2023, respectively.

**NOTE 6 – PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, consisted of the following at December 31:

	2024	2023
Buildings and exhibits	\$ 25,446,034	\$ 22,333,397
Furniture and equipment	1,346,293	1,281,031
Vehicles	549,410	476,326
Land and improvements	3,697,378	3,697,378
	<u>31,039,115</u>	<u>27,788,132</u>
Less: accumulated depreciation	<u>(16,919,190)</u>	<u>(15,466,935)</u>
	<u>\$ 14,119,925</u>	<u>\$ 12,321,197</u>

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$1,452,255 and \$1,432,331, respectively.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**NOTE 7 – INVESTMENTS**

The Zoo utilizes investment management accounts with financial services firms. The following provides a summary of investments held in these accounts at December 31:

	<u>2024</u>	<u>2023</u>
Cash / money market	\$ 5,209,590	\$ 12,653,557
Equities	602,912	309,924
Government debt and securities	21,546,272	8,326,870
Corporate bonds	-	12,961
	<u>\$ 27,358,774</u>	<u>\$ 21,303,312</u>

The following provides the activity in the investment account balances for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 21,303,312	\$ 22,297,898
Interest and dividend income	112,122	146,981
Realized and unrealized gains	1,144,712	835,071
Investment expenses	(3,186)	(3,772)
Receipt of donated securities	1,301,814	1,343,134
Transfers from cash accounts	3,500,000	-
Transfers to cash accounts	-	(3,316,000)
Balance, end of year	<u>\$ 27,358,774</u>	<u>\$ 21,303,312</u>

**NOTE 8 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

The Zoo entered into an agreement (“Fund Agreement”) with The Community Foundation for Brevard, Inc. (the “Community Foundation”) to establish the Brevard Zoo Endowment Fund (the “Fund”). The Fund is a quasi-endowment as the Fund Agreement grants variance power to the Community Foundation, which permits the Community Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified zoo if, in the sole judgment of the Community Foundation's board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. In addition, any variance from the Fund Agreement must be approved by a two-thirds vote of the board of directors of the Zoo and authorized by the Community Foundation.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**NOTE 8 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Continued)**

It is the intention of the Zoo’s board of directors that the income of the Fund will be used for the benefit of the Zoo and that there will be no distributions from the Fund until it reaches a balance of \$1,000,000, at which point 50% of the annual realized income may be distributed.

The following provides the activity in this fund for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,418,865	\$ 1,014,164
Interest and dividend income	46,150	32,154
Realized and unrealized gains	99,148	132,870
Investment expenses	(16,662)	(13,055)
Transfer from cash accounts	345,000	252,732
Balance, end of year	<u>\$ 1,892,501</u>	<u>\$ 1,418,865</u>

**NOTE 9 – LIQUIDITY**

The Zoo’s board of directors adopts a budget annually based on program requirements and anticipated revenue and expenditures for the year in an effort to manage working capital and cash flows that vary due to seasonal changes.

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. To help manage unanticipated liquidity needs, the Zoo has two committed lines of credit which it could draw upon (Note 14).

The following reflects the Zoo’s financial assets available within one year as of December 31, 2024, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 5,355,656	\$ 6,961,717
Accounts and grants receivable	454,999	666
Pledges receivable, current	1,309,672	540,001
Investments	2,040,477	2,510,281
	<u>9,160,804</u>	<u>10,012,665</u>
Less: cash and cash equivalents, with donor restriction	(3,101,014)	(5,652,004)
Less: assets limited as to use	(1,254,261)	(681,383)
	<u>\$ 4,805,529</u>	<u>\$ 3,679,278</u>

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 10 – NOTES PAYABLE

Notes payable consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Note payable to bank, bearing interest at 4.08%, payable in semi-annual installments of \$125,000 plus interest, maturing in 2038. Secured by all proceeds under an agreement with the Brevard County Board of County Commissioners dated May 2018.	\$ 2,975,000	\$ 3,225,000
Note payable to bank, bearing interest at 4.08%, payable in semi-annual installments of \$79,412 plus interest, maturing in 2038. Secured by all proceeds under an agreement with the Brevard County Board of County Commissioners dated May 2018.	928,608	1,087,432
Note payable to bank, bearing interest at 3.78%, payable in monthly installments of \$5,097, including interest, maturing in 2027. Secured by equipment.	136,337	191,386
Non-interest bearing note payable to financing company, payable in monthly installments of \$1,257, including interest, maturing in 2027. Secured by equipment.	33,929	49,009
Non-interest bearing note payable to financing company, payable in monthly installments of \$2,300, including interest, maturing in 2027. Secured by equipment.	<u>59,810</u>	<u>87,414</u>
	4,133,684	4,640,241
Less: current portion	<u>(508,498)</u>	<u>(506,304)</u>
	<u>\$ 3,625,186</u>	<u>\$ 4,133,937</u>

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 10 – NOTES PAYABLE (Continued)

Future scheduled maturities of the long-term debt are as follows:

Year ending December 31:	
2025	\$ 508,498
2026	510,690
2027	437,361
2028	408,824
2029	408,824
Thereafter	1,859,487
	<u>\$ 4,133,684</u>

Interest expense for the years ended December 31, 2024 and 2023 totaled \$178,215 and \$225,162, respectively.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following assets as of December 31:

	2024	2023
Cash and cash equivalents	\$ 3,101,014	\$ 5,652,004
Pledges receivable	12,400,846	11,220,450
Investments	25,304,656	18,793,031
	<u>\$ 40,806,516</u>	<u>\$ 35,665,485</u>

Net assets with donor restrictions were restricted for the following purposes as of December 31:

	2024	2023
Aquarium	\$ 39,665,896	\$ 33,808,083
Capital projects	326,549	1,133,917
Restore our shores	566,660	406,959
Education	138,657	149,719
NG turtle	733	68,795
Conservation	29,778	35,845
Sea turtles	66,077	-
Other	12,166	62,167
	<u>\$ 40,806,516</u>	<u>\$ 35,665,485</u>

A description of the nature and purpose of each fund group is as follows:

**Aquarium**

Funding to build a world-class Aquarium and Conservation Center on Florida’s East Coast. This Aquarium and Conservation Center will sit on 14 acres of shoreline along the Banana River at Port Canaveral, mirror the distinctive aesthetic of Brevard Zoo, and foster connections with Florida marine life and coastal ecosystems through a joyful, accessible, and relaxed experience.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

**Restore Our Shores**

Funding for Restore Our Shores (ROS), a community-based conservation program that engages volunteers and local partners in innovative Indian River Lagoon (IRL) restoration projects. Since 2013, ROS has become a recognized leader in lagoon restoration, engaging over 70,000 community members in hands-on volunteer activities, monitoring, and community workshops to help improve water quality and protect the habitats of the IRL. Projects include:

- Training residents living along the IRL to become “oyster gardeners,” caring for oysters off their docks for over six months to collect data and provide oysters for oyster reef construction.
- Partnering with University of Florida and others to construct and monitor clam beds throughout the IRL.
- Cultivating, planting, and monitoring seagrass.
- Educating the community about how to use “buffer zones” to stop water runoff from entering the lagoon through waterfront property.
- Engaging community volunteers to grow mangroves and plant them as “living shorelines” along the IRL.

**Education**

Funding for a variety of education programs for children and adults designed to inspire a passion for nature and a commitment to protect habitats and wildlife. Programs include Family Nature Club, Lagoon Quest, Reading Buddies, Turtle Tech, Zoo Camps, Zoo School, Zoo Sprouts, Zoo Teens, and more.

**Conservation**

Funding for a variety of programming designed to protect, conserve, and restore ecosystems and wildlife, with a focus on Florida native species such as Florida grasshopper sparrows, Perdido Key beach mice, Florida scrub-jays, and manatees. Includes conservation breeding programs, translocation, monitoring of wild populations, and manatee rescue and transport.

**Sea Turtles**

Funding for the Zoo’s Sea Turtle Healing Center (STHC), which is a behind-the-scenes wildlife health facility that takes in sick, injured, and stranded sea turtles; restores them back to health through world-class nutrition, medical care, and enrichment; and returns them to their natural habitat. Run by two full-time staff and more than 65 regular volunteers, the 2,400 square-foot center includes two separate holding facilities with 12 tanks ranging in size from 6 to 12 ft. in diameter—three of them reserved specifically for turtles with fibro papillomatosis (FP)—enabling care for up to 20 turtles at a time. The STHC cares for more than 100 rescued turtles, many of them injured after being struck by a boat, getting wrapped up in nets and fishing lines, or ingesting hooks or plastic pollution, or suffering with the FP virus.

**Other**

Funding for various areas of the Zoo including the bear habitat, keeper scholarships, arts and culture, and more.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**NOTE 12 – CONTINGENCIES AND COMMITMENTS**

**Litigation**

The Zoo is not involved in any litigation which is expected to have a material effect upon the financial position or the results of operations.

**Real Property**

The real property on which the Zoo's facilities are located, including the property occupied by the Linear Trail, are subject to the terms of a Special Warranty Deed which is on file with the Brevard County Clerk's Office. Under the terms of this agreement, the real property conveyed by the Special Warranty Deed would revert back to the grantor if the Zoo ceased to utilize the property for zoological purposes for a period of twelve consecutive months.

**Option to Lease**

In 2021, the Zoo entered into an agreement with the Canaveral Port Authority to reserve the right to enter into a ground lease at a future time not more than 36 months from the signing of the agreement. In 2024 the lease was extended on a month to month basis. This period of time is to be utilized by the Zoo to determine if there exists adequate public support to build and operate a mid-sized aquarium and conservation campus on the stated site. Under the terms of the option, the Zoo is required to pay the Canaveral Port Authority \$250,000 for each twelve-month period.

**NOTE 13 – RELATED PARTIES**

The Zoo purchased goods and services from companies in which past members of the board of directors were majority owners, totaling approximately \$592,692 and \$906,507 for the years ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, \$28,387 and \$49,820 was due to related parties, respectively, and are included as a component of accounts payable on the accompanying statements of financial position.

**NOTE 14 – AVAILABLE CREDIT**

The Zoo maintains a line of credit with a bank. The borrowing capacity under this agreement is \$500,000. The interest rate is based on the Prime Rate plus .5% (8.0% at December 31, 2024). The account is secured by the Zoo's personal property. As of December 31, 2024 and 2023, there were no amounts extended under the terms of the line of credit.

The Zoo also maintains a Loan Management Account with a financial institution. The borrowing capacity under the loan account is \$6,000,000. The interest rate is based on SOFR rate plus 1.75% (6.3% at December 31, 2024). The account is secured by the Zoo's investment accounts. No amounts were outstanding under the agreement as of December 31, 2024 or 2023.

**NOTE 15 – COMMITMENTS RELATED TO AQUARIUM AND CONSERVATION CENTER PROJECT**

The Organization is undertaking a major capital project to construct a world-class Aquarium and Conservation Center on approximately 14 acres of shoreline along the Banana River at Port Canaveral. This project is designed to reflect the distinctive aesthetic of Brevard Zoo and to promote public engagement with Florida's marine life and coastal ecosystems.

The total expected cost of the project is approximately \$197 million. Costs incurred through December 31, 2024, total \$5.7 million, which primarily include the costs of architectural design, fundraising, and project management. The remaining expected costs are anticipated to be incurred over the next three years as the project progresses toward completion.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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NOTE 15 – COMMITMENTS RELATED TO AQUARIUM AND CONSERVATION CENTER PROJECT  
(Continued)

The Organization intends to fund the project through a combination of philanthropic support and financing. Contributions are being raised through the Organization's *Our Legacy Campaign*, a multi-year capital fundraising initiative. In addition, the Organization plans to pursue external financing after the issuance of these financial statements to support the remaining construction and development costs.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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State Agency, Pass-through Entity State Project	ALN No.	Contract/ Grant No.	Expenditures
<b>STATE AGENCIES</b>			
Florida Fish and Wildlife Conservation Commission Manatee Management and Care	77.059	GAA 1935A	\$ 901,833
State of Florida, Department of State, Division of Arts and Culture Pride: Lions at Brevard Zoo	45.014	23.c.cf.200.331	500,000
General Program Support 2024	45.061	24.c.ps.170.497	101,140
MOTE Marine Laboratory and Aquarium Investigating Potential Effects of <i>Caulpera prolifera</i> on Shoal Grass Restoration in Florida	37.115	M2024	476
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b>\$ 1,503,449</b>

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**1. General**

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial assistance programs of East Coast Zoological Society of Florida, Inc. (“Zoo”) for the year ended December 31, 2024. The Zoo’s reporting entity is described in Note 1 to the Zoo’s financial statements. State financial assistance expended from state agencies are included on the schedule.

**2. Basis of Accounting**

The accompanying schedule of expenditures of state financial assistance is presented using the accrual basis of accounting, which is described in Note 1 to the Zoo’s financial statements. The information in this schedule is presented in accordance with the requirements of Chapter 10.650 “Rules of the Auditor General”. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.



Verdeja • Alvarez

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Octavio F. Verdeja, Founder - 1971

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Michael Vildosola, C.P.A.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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To the Board of Directors  
East Coast Zoological Society of Florida, Inc.  
Melbourne, Florida

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 financial statements of East Coast Zoological Society of Florida, Inc. ("Zoo") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 10, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the 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 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 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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Zoo's 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 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 organization'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.

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
July 10, 2025



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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To the Board of Directors  
East Coast Zoological Society of Florida, Inc.  
Melbourne, Florida

### **Report on Compliance for Each Major State Project**

#### ***Opinion on Each Major State Project Program***

We have audited East Coast Zoological Society of Florida, Inc.'s ("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 each of the Zoo's major state projects for the year ended December 31, 2024. Zoo's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Basis for Opinion on Each Major Federal Program and 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 Chapter 10.650 Rules of the Auditor General of the State of Florida. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's 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 federal program. Our audit does not provide a legal determination of Zoo' compliance with the compliance requirements referred to above.

#### ***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 Zoo' state projects.

## *Auditor's Responsibility*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to 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 generally accepted auditing standards, *Government Auditing Standards* and Chapter 10.650, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting 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 federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
July 10, 2025

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
 STATE FINANCIAL ASSISTANCE PROJECTS  
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

***State Financial Assistance***

Type of auditor's report issued on compliance for major projects: *Unmodified*

Internal control over major projects:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  no

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656 "Rules of the Auditor General"  yes  no

Identification of major projects:

<b>Name of State Project or Cluster</b>	<b>CSFA Number</b>	<b>Expenditures</b>
Florida Fish and Wildlife Conservation Commission Manatee Management Care	77.059	\$901,833
Dollar threshold used to distinguish between type A and type B projects.	\$300,000	
Auditee qualified as low-risk auditee?	N / A	

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

**SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS**

None

**SECTION IV - OTHER ISSUES**

1. A management letter was issued for the year ended December 31, 2024.
2. No *Summary Schedule of Prior Audit Findings* is required because there were no prior audit findings related to State projects.
3. No *Corrective Action Plan* is required because there were no findings required to be reported under the Florida Single Audit Acts.

**EAST COAST ZOOLOGICAL SOCIETY OF  
FLORIDA, INC. (D/B/A BREVARD ZOO)**

MANAGEMENT LETTER

DECEMBER 31, 2024

## TABLE OF CONTENTS

Management Letter .....	1-2
Observations and Recommendations .....	3-5



## MANAGEMENT LETTER

To the Board of Directors  
East Coast Zoological Society of Florida, Inc. (D/B/A Brevard Zoo)  
Melbourne, Florida

### Report on the Financial Statements

We have audited the financial statements of Brevard Zoo, (the "Organization") as of and for the fiscal year ended December 31, 2024, and have issued our report thereon dated July 10, 2025. We conducted our audit in accordance with 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.

### Management letter

In planning and performing our audit of the financial statements of the Organization as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the second paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

The following summarizes the results of our audit for the year ended December 31, 2024:

	<u>Yes</u>	<u>No</u>
Material Weaknesses Identified		X
Management Point Identified	X	

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

**Purpose of this Letter**

This communication is intended solely for the information and use of the Board of Directors, management, and others within the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
July 10, 2025

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC. (D/B/A BREVARD ZOO)  
OBSERVATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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**FINANCIAL REPORTING OVER GRANTS AND PLEDGES**

**Observation**

During our audit, we observed that grant and pledges receivables and revenues are being recorded and tracked together in the financial records.

**Recommendation**

We recommend that management establish separate accounting records and tracking mechanisms for grants and pledges to ensure compliance with financial reporting standards and grantor requirements. Separating these categories will facilitate accurate reporting of federal and state grant expenditures for Single Audit purposes, as applicable.

**Management Response**

Effective July 1, 2025, management set up separate asset accounts for grants and pledges receivable. In addition, management created different vendor types for federal, state and all other grants to properly track each.

**SCHEDULES OF EXPENDITURES FOR FEDERAL AND STATE AWARDS**

**Observation**

During our audit, we noted that the Organization does not currently maintain a formalized Schedule of Expenditures of Federal Awards (“SEFA”) or Schedule of Expenditures of State Awards (“SESA”) awards throughout the year.

**Recommendation**

We recommend that management implement procedures to track all federal and state awards in a centralized manner, including ALN numbers, award amounts, and cumulative expenditures. Maintaining an up-to-date SEFA and SESA will support compliance with Single Audit requirements and improve year-end financial reporting readiness.

**Management Response**

Effective July 1 2025, the grants management group is logging all awarded grants by federal, state and other grant types, maintaining record of all required information.

**RELATED PARTY—POLICIES AND PROCEDURES**

**Observation**

During our audit, we noted the absence of formalized policies governing transactions with related parties, including competitive bidding requirements and documentation of procurement decisions.

**Recommendation**

We recommend that management develop and implement written policies addressing related party transactions, including thresholds for disclosure, procurement protocols, and documentation of how such transactions are evaluated for fairness. Establishing these procedures will help ensure transparency, mitigate conflict of interest risks and support accurate financial statement disclosures.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC. (D/B/A BREVARD ZOO)  
OBSERVATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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RELATED PARTY—POLICIES AND PROCEDURES (Continued)

**Management Response**

Management has established conflict-of-interest disclosures for board members and ECZS executives. Management will draft a series of policies and protocols for how those documents are reviewed by staff and board. The policies and protocols will be forwarded to the Governance Committee of the Board of Directors for review and official adoption. In addition, management will write and adopt policies regarding the review and renewal of all substantial vendor relationships, whether related party or not. Continued

SEGREGATION OF DUTIES

**Observation**

During our audit, we observed that the Organization has recently experienced transitions in financial management roles and responsibilities. These changes may impact internal control processes, particularly with regard to segregation of duties over authorization, recording, and custody (“ARC”) functions.

**Recommendation**

We recommend that management conduct a review of current roles and responsibilities to ensure appropriate segregation of duties is maintained. Particular attention should be paid to user access rights and the separation of functions related to transaction authorization, general ledger posting, and asset custody, to reduce the risk of errors or unauthorized transactions.

**Management Response**

The Finance Department is fully staffed and is currently updating the Accounting Policies and Procedures Manual to document clear separation of duties and functions, as well as the methodology for on-going monitoring. The Finance Committee of the Board of Directors will review processes for adequate separation of duties and functions annually.

FUNCTIONAL EXPENSE ALLOCATIONS

**Observation**

The Organization allocates expenses across program and supporting services by natural classification; however, no formal written policy exists documenting the methodology used.

**Recommendation**

We recommend that the Organization develop a written policy outlining its methodology for allocating each natural expense category between program and supporting services. A consistent, documented approach will help ensure uniformity in preparing the Statement of Functional Expenses (“SFE”) and improve comparability year to year.

**Management Response**

The Director of Finance and Accounting is currently documenting policies and procedures outlining the methodology for allocating expense categories between programs and supporting services. This documentation will be included in the updated Accounting Policies and Procedures Manual.

**EAST COAST ZOOLOGICAL SOCIETY OF FLORIDA, INC. (D/B/A BREVARD ZOO)**  
**OBSERVATIONS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**CASH IN EXCESS OF FEDERALLY INSURED LIMITS**

**Observation**

During our audit, we noted that approximately \$4.9 million is held at a single financial institution at December 31, 2024. This amount significantly exceeds the Federal Deposit Insurance Corporation (“FDIC”) coverage limit of \$250,000 per depositor, per insured bank.

**Recommendation**

We recommend that management evaluate options to mitigate uninsured cash exposure, such as the use of multiple banking institutions, sweep accounts, or insured cash management programs. This will help reduce the risk of loss in the event of bank failure.

**Management Response**

Management opened two sweep accounts in May to cover our merchant and aquarium accounts. A review of banking relationships will be conducted later this year.