

**FRIENDS OF THE ROSAMOND GIFFORD ZOO
AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Consolidated Financial Statements

December 31, 2022

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Friends of the Rosamond Gifford Zoo at Burnet Park, Inc. and
Catering at the Zoo, LLC
Syracuse, New York

Opinion

We have audited the consolidated financial statements of Friends of the Rosamond Gifford Zoo at Burnet Park, Inc. and Catering at the Zoo, LLC, a component unit of Onondaga County, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Friends of the Rosamond Gifford Zoo at Burnet Park, Inc. and Catering at the Zoo, LLC as of December 31, 2022, and the change in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Friends of the Rosamond Gifford Zoo at Burnet Park, Inc. and Catering at the Zoo, LLC and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about of Friends of the Rosamond Gifford Zoo at Burnet Park, Inc. and Catering at the Zoo, LLC's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

Report on Summarized Comparative Information

We have previously audited Friends of the Rosamond Gifford Zoo at Burnet Park, Inc. and Catering at the Zoo, LLC's December 31, 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grossman St. Amour CPAs

Syracuse, New York
May 22, 2023

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Consolidated Statement of Financial Position

**December 31, 2022
(with Comparative Totals for December 31, 2021)**

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,812,792	\$ 2,896,566
Pledges and other receivables, current portion	36,463	65,513
Prepaid expenses and other assets	66,683	46,400
Inventories	122,593	95,902
Total current assets	3,038,531	3,104,381
Investments	4,275,180	5,156,980
Pledges and other receivables, net of current portion	51,000	12,000
Furniture and equipment, net	38,568	52,738
	\$ 7,403,279	\$ 8,326,099
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 142,649	\$ 111,313
Accrued salaries and payroll expenses	108,129	90,852
Deferred revenue	408,549	342,041
Due to Onondaga County	90,081	96,478
Total current liabilities	749,408	640,684
Net assets:		
Without donor restrictions	2,008,388	2,138,920
With donor restrictions	4,645,483	5,546,495
Total net assets	6,653,871	7,685,415
	\$ 7,403,279	\$ 8,326,099

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

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Consolidated Statement of Activities

**For the Year Ended December 31, 2022
(with Summarized, Comparative Totals for the Year Ended December 31, 2021)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Support:				
Contributions and grants	\$ 536,629	\$ 393,962	\$ 930,591	\$ 1,353,756
Special events net of direct expenses of \$160,628 and \$154,822 in 2022 and 2021, respectively	215,256	-	215,256	190,959
Total support	751,885	393,962	1,145,847	1,544,715
Revenue:				
Memberships	580,160	-	580,160	458,199
Sale of merchandise net of cost of sales of \$590,724 and \$362,819, in 2022 and 2021, respectively	996,193	-	996,193	688,130
Paycheck Protection Program loan forgiveness	-	-	-	256,385
Program fees	343,421	-	343,421	209,652
Rental/catering income net of cost of sales of \$138,909 and \$81,730 in 2022 and 2021, respectively	599,310	-	599,310	236,475
Net appreciation/(depreciation) in market value of investments	-	(857,311)	(857,311)	442,801
Interest and dividend income	120,569	120	120,689	103,837
Total revenue	2,639,653	(857,191)	1,782,462	2,395,479
Net assets released from restrictions	437,783	(437,783)	-	-
Total support and revenue	3,829,321	(901,012)	2,928,309	3,940,194
Expenses:				
Program services:				
Zoo support	1,667,217	-	1,667,217	916,788
Gift shop	219,545	-	219,545	197,738
Educational programs	367,167	-	367,167	335,529
Facility rentals/catering	460,723	-	460,723	341,947
Total program services	2,714,652	-	2,714,652	1,792,002
Supporting services:				
Management and general	671,902	-	671,902	659,651
Fundraising/membership	573,299	-	573,299	410,330
Total supporting services	1,245,201	-	1,245,201	1,069,981
Total expenses	3,959,853	-	3,959,853	2,861,983
Change in net assets	(130,532)	(901,012)	(1,031,544)	1,078,211
Net assets at beginning of year	2,138,920	5,546,495	7,685,415	6,607,204
Net assets at end of year	\$ 2,008,388	\$ 4,645,483	\$ 6,653,871	\$ 7,685,415

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

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Consolidated Statement of Functional Expenses

**For the Year Ended December 31, 2022
(with Summarized, Comparative Totals for the Year Ended December 31, 2021)**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total	
	Zoo Support	Gift Shop	Educational Programs	Facility Rentals/ Catering		Management and General	Fundraising/ Membership		2022	2021
Salaries	\$ 316,469	\$ 142,007	\$ 255,348	\$ 305,601	\$ 1,019,425	\$ 434,156	\$ 279,875	\$ 714,031	\$ 1,733,456	\$ 1,337,678
Employee benefits	22,193	9,762	40,610	30,916	103,481	37,604	32,696	70,300	173,781	144,092
Payroll taxes	29,955	12,593	19,272	25,532	87,352	34,121	22,767	56,888	144,240	126,066
Total salaries and related expenses	368,617	164,362	315,230	362,049	1,210,258	505,881	335,338	841,219	2,051,477	1,607,836
Payroll fees	579	1,610	1,705	1,451	5,345	6,572	2,178	8,750	14,095	13,114
Professional fees and contracted service	272,523	-	497	26,456	299,476	37,711	3,004	40,715	340,191	159,204
Supplies and minor equipment	501,388	7,422	17,054	32,618	558,482	10,006	11,707	21,713	580,195	290,002
Telephone	-	-	-	1,033	1,033	690	-	690	1,723	6,411
Postage	-	84	107	99	290	450	27,864	28,314	28,604	27,667
Printing and public relations	9,028	43	2,494	3,041	14,606	18,224	58,057	76,281	90,887	67,411
Travel, conferences and staff education	1,833	180	150	1,112	3,275	22,247	5,685	27,932	31,207	35,191
Equipment maintenance and rental	342,507	13,391	12,626	8,865	377,389	49,059	22,692	71,751	449,140	255,844
Insurance	12,619	3,713	7,427	5,311	29,070	11,749	12,998	24,747	53,817	26,426
Onondaga County share	15,000	-	-	-	15,000	-	80,089	80,089	95,089	271,568
Projects and exhibit support	115,180	-	-	-	115,180	-	-	-	115,180	14,631
Administrative allocation	-	-	-	-	-	-	-	-	-	2,475
Bad debt	9,000	-	-	-	9,000	-	-	-	9,000	-
Miscellaneous	14,525	25,393	6,877	18,089	64,884	4,727	12,345	17,072	81,956	50,171
Total before depreciation expense	1,662,799	216,198	364,167	460,124	2,703,288	667,316	571,957	1,239,273	3,942,561	2,827,951
Depreciation expense	4,418	3,347	3,000	599	11,364	4,586	1,342	5,928	17,292	34,032
Total functional expenses	\$1,667,217	\$ 219,545	\$ 367,167	\$ 460,723	\$ 2,714,652	\$ 671,902	\$ 573,299	\$ 1,245,201	\$ 3,959,853	\$ 2,861,983

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

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2022

(with Summarized, Comparative Totals for the Year Ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,031,544)	\$ 1,078,211
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	17,292	34,032
Net (appreciation)/depreciation in market value of investments	857,311	(442,801)
Bad debt expense	9,000	-
Changes in operating assets and liabilities:		
Pledges and other receivables, net	(18,950)	(61,173)
Prepaid expenses and other assets	(20,283)	34,696
Inventories	(26,691)	9,451
Accounts payable	31,336	74,830
Accrued salaries and payroll expenses	17,277	6,872
Deferred revenue	66,508	103,812
Due to Onondaga County	(6,397)	24,848
Paycheck Protection Program loan payable	-	(23,692)
Net cash provided by (used in) operating activities	<u>(105,141)</u>	<u>839,086</u>
Cash flows from investing activities:		
Purchase of furniture and equipment	(3,122)	(33,396)
Proceeds from sales of securities	257,019	473,671
Purchases of securities	(232,530)	(478,785)
Net cash provided by (used in) investing activities	<u>21,367</u>	<u>(38,510)</u>
Net increase (decrease) in cash	(83,774)	800,576
Cash and cash equivalents at beginning of year	<u>2,896,566</u>	<u>2,095,990</u>
Cash and cash equivalents at end of year	<u>\$ 2,812,792</u>	<u>\$ 2,896,566</u>

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

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

Friends of the Rosamond Gifford Zoo at Burnet Park, Inc. (the Friends) is a non-profit corporation established in 1970 to stimulate the interest of the public in the extension and improvement of the Rosamond Gifford Zoo at Burnet Park (the Zoo) and, where possible, to assist in the expansion of the Zoo facilities. The Zoo is operated by Onondaga County, New York, therefore the Friends is treated as a component unit of Onondaga County.

The Friends collects membership fees and runs a gift shop and HoneyBee Café, which are located at the Zoo. Educational programs are also conducted and a periodic publication, MyZoo Magazine, is published. The Friends also solicits volunteers for the Zoo and provides support for upgrading of Zoo exhibits.

Catering at the Zoo, LLC (LLC), a wholly owned subsidiary of the Friends, was formed for the purpose of conducting the catering business at the Zoo. The Friends is the sole member of LLC.

Consolidated Financial Statement Presentation

The consolidated financial statements are presented on the accrual basis of accounting. The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Friends' consolidated financial statements for the year ended December 31, 2021 from which the summarized information was derived.

These consolidated financial statements include financial information of the Friends of Rosamond Gifford Zoo at Burnet Park, Inc. and Catering at the Zoo, LLC. All intercompany transactions have been eliminated in consolidation.

Use of Estimates

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

Cash and Cash Equivalents

The Friends considers short-term investments purchased with an original maturity of three months or less to be cash equivalents. Balances are maintained at various financial institutions and are insured up to the FDIC limits.

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies (continued)

Investments

Investments are carried at market value based on quoted market prices. Interest and dividends, realized and unrealized gains and losses accrue to net assets with donor restrictions. Realized and unrealized gains and losses are reported in the aggregate as net appreciation or depreciation in market value of investments on the consolidated statement of activities.

New Accounting Pronouncement

Non-Financial Contributions and In-Kind Donations

The Friends and LLC has adopted FASB ASU 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets for the year ended December 31, 2022. This ASU increases the transparency of contributed nonfinancial assets through enhanced presentation and disclosure and requires nonfinancial assets to be presented as separate line items on the consolidated statements of activities. In addition, the standard requires additional disclosures to include description, valuation techniques, and disaggregation of amounts by contributed category. Adoption of the new standard does not have a material impact on the Friends' consolidated financial statements.

Non-financial contributions are reflected as support with offsetting expense in the accompanying consolidated financial statements at estimated value where an objective valuation basis is available. During 2022 and 2021 various goods and services were donated for fund-raising activities and support services. Contributed goods are recognized at the cost to purchase at the time of the donation. The approximate value of these goods and services was \$11,000 and \$24,800 for the years ended December 31, 2022 and 2021, respectively.

A substantial number of volunteers donate their time to assist the Friends in its programs and fundraising activities. During the years ended December 31, 2022 and 2021, approximately 8,000 and 4,100 hours have been donated, respectively. No amounts have been reflected in the accompanying consolidated statements for these donated services, as no objective basis is available to measure the value of such services.

Revenue Recognition

The Friends and LLC follow the provisions of ASC 606, *Revenue from Contracts with Customers*. Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

The Friends and LLC have the following significant streams of revenue:

Contributions and grants received are recorded as support with or without donor restrictions based on the nature of donor restrictions. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Reserves are recorded when specific receivables are deemed to be uncollectible. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Donor restricted contributions and grants whose restrictions are met within the same year as received are reflected as contributions and grants without donor restrictions.

Membership benefits are typically valid for one year after the membership is purchased. Membership revenue is recognized pro-rata on a monthly basis over the term of the membership. Any unrecognized membership revenue is recorded as deferred revenue in the accompanying consolidated statement of financial position at the end of the year.

Special Events, Program Fees, and Rental/Catering Income is recognized at the time the associated event occurs. Any payments of deposits or tickets sold prior to the event or program date are recorded in deferred revenue in the accompanying consolidated statement of financial position at the end of the year.

Sale of merchandise primarily consists of sales of inventory in the Zoo gift shop. Revenue is recognized at the time the sale is made. Returns of merchandise after the sale is made are not typically significant.

The following tables presents the beginning and ending balances from contracts with customers, primarily from memberships, special events and catering:

	<u>2022</u>	<u>2021</u>
Accounts receivable from contracts:		
Accounts receivable as of January 1:	\$ 2,013	\$ 14,340
Accounts receivable as of December 31:	\$ 8,463	\$ 2,013
Contract liabilities:		
Deferred revenue as of January 1:	\$ 409,049	\$ 238,229
Deferred revenue as of December 31:	\$ 342,041	\$ 409,049

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies (continued)

Bequests

Bequests are recorded as income when the will is probated and the money is received. No amounts have been reflected in the consolidated financial statements for bequest notifications.

Inventories

Inventories consist of store merchandise for resale in the gift shop, and supplies for the HoneyBee Café and catering services. They are stated at the lower of cost or market. Cost is determined by the weighted-average method for gift shop inventory, and on a first-in, first-out method for the HoneyBee Café and catering services. The Friends and LLC have determined that no allowance for obsolete inventory is required at December 31, 2022 or 2021.

Furniture and Equipment

Furniture and equipment are recorded at cost or, if donated, at the fair market value at the date of gift. Depreciation is provided on a straight-line basis over the estimated useful life for each of the respective assets, generally five years. Maintenance and repairs are charged to expense when incurred; major renewals and betterments greater than \$5,000 are capitalized.

Classification of Net Assets

The net assets of the Friends have been classified as without donor restriction or with donor restriction on the basis of the existence and/or nature of any donor imposed restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions and net assets without donor restriction. See Note 7.

Availability and Liquidity

The following is a summary of the Friends' consolidated financial assets available to meet cash needs for general expenditures within one year for the years ending December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,812,792	\$ 2,896,566
Pledges and other receivables, current portion	36,463	65,513
Inventories	122,593	95,902
Investments	<u>4,275,180</u>	<u>5,156,980</u>
Less, net assets with donor restrictions	<u>(4,645,483)</u>	<u>(5,546,495)</u>
Consolidated financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,601,545</u>	<u>\$ 2,668,466</u>

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies (continued)

Availability and Liquidity (continued)

As part of the Friends' liquidity management, it has a policy to structure its consolidated financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, excess cash is invested in short-term investments including money market accounts. The Friends also has a \$1.5 million line of credit available to meet cash flow needs.

Methods Used for Allocation of Expenses Among Program and Supporting Services

The consolidated financial statements present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Friends are reported as expenses of those functional areas. Certain categories of expenses that are attributable to one or more program or administrative services of the Friends are allocated. Those expenses mainly relate to salaries, which are allocated directly based on timesheets prepared for each employee by pay period, and facilities expenses and depreciation which are allocated based on square footage.

Income Taxes

The Friends is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation within the meaning of Section 509(a) of the Code.

The Friends evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2022, the Friends does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year, including the determination that the Friends maintains its tax exempt status. The Friends' information and income tax returns will be subject to examination by taxing authorities for a period of three years from the date they are filed. It is the Friends' policy to recognize any interest and penalties as expenses in the year assessed.

LLC is a disregarded entity for federal income tax purposes; therefore, all tax attributes flow through to the Friends as the sole member. LLC's activities, which include providing catering services and facility rental, are considered unrelated to the Friends' exempt purpose. As such, any income derived from LLC's activities, less allocable expenses, is considered unrelated business income to the Friends. Income taxes paid on unrelated business income are included in facility rental/catering expense on the consolidated statement of activities.

Risks and Uncertainties

The Friends maintains cash balances at various financial institutions in New York. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). At times throughout the year, cash balances exceeded the insured limits.

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies (continued)

Risks and Uncertainties (continued)

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the consolidated statement of financial position and the consolidated statement of activities.

2. Investments

Investments consist of money market savings and indexed mutual funds which are carried at fair value. A summary of investments at December 31 is as follows:

	2022		2021	
	Market	Cost	Market	Cost
Money market funds	\$ 110,368	\$ 110,368	\$ 130,554	\$ 130,555
Mutual fund investments:				
Domestic equity:				
Value funds	472,323	397,651	383,868	269,672
Growth funds	320,629	235,024	487,448	224,705
Core	685,734	565,293	1,062,317	671,386
Real estate funds	45,446	38,981	63,922	39,537
International equity:				
Growth funds	152,573	130,009	241,159	148,731
Value funds	325,948	338,465	425,988	381,873
Real estate funds	31,625	35,422	41,272	35,422
Blend	20,014	19,714	27,455	21,377
Fixed income funds	1,733,466	1,963,017	1,875,442	1,825,217
Equity Securities:				
Financial	59,887	45,591	73,088	49,513
Energy	42,657	21,684	29,937	24,030
Other	274,510	202,718	314,530	214,073
	<u>\$ 4,275,180</u>	<u>\$ 4,103,937</u>	<u>\$ 5,156,980</u>	<u>\$ 4,036,091</u>
Unrealized appreciation		<u>\$ 171,243</u>		<u>\$ 1,120,889</u>

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Notes to Consolidated Financial Statements

3. Fair Value Measurements and Investments

The Friends' investments are reported at fair value in the accompanying consolidated statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Friends believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted process in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Friends uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Friends measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were used to measure fair value at December 31, 2022 or 2021.

Level 1 Fair Value Measurements - The fair values of mutual funds and equity securities are based on the closing price reported in the active market where the individual securities are traded, when available.

The following tables set forth by level, within the fair value hierarchy, the Friends' consolidated investments at fair value as of December 31, 2022 and 2021:

	As of December 31, 2022			
	Assets	Fair Value Hierarchy Level		
	Measured at Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 110,368	\$ 110,368	\$ -	\$ -
Mutual fund investments:				
Domestic equity				
Value funds	472,323	472,323	-	-
Growth funds	320,629	320,629	-	-
Core funds	685,734	685,734	-	-
Real estate funds	45,446	45,446	-	-
International equity				
Growth funds	152,573	152,573	-	-
Value funds	325,948	325,948	-	-
Real estate funds	31,625	31,625	-	-
Blend	20,014	20,014	-	-
Fixed income funds	1,733,466	1,733,466	-	-
Equity Securities:				
Financial	59,887	59,887	-	-
Energy	42,657	42,657	-	-
Other	274,510	274,510	-	-
Total investments at fair value	\$ 4,275,180	\$ 4,275,180	\$ -	\$ -

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
and CATERING AT THE ZOO, LLC**

Notes to Consolidated Financial Statements

3. Fair Value Measurements and Investments (continued)

	As of December 31, 2021			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Money market funds	\$ 130,554	\$ 130,554	\$ -	\$ -
Mutual fund investments:				
Domestic equity				
Value funds	383,868	383,868	-	-
Growth funds	487,448	487,448	-	-
Core funds	1,062,317	1,062,317	-	-
Real estate funds	63,922	63,922	-	-
International equity				
Growth funds	241,159	241,159	-	-
Value funds	425,988	425,988	-	-
Real estate funds	41,272	41,272	-	-
Blend	27,455	27,455	-	-
Fixed income funds	1,875,442	1,875,442	-	-
Equity Securities:				
Financial	73,088	73,088	-	-
Energy	29,937	29,937	-	-
Other	314,530	314,530	-	-
Total investments at fair value	\$ 5,156,980	\$ 5,156,980	\$ -	\$ -

4. Receivables

Receivables at December 31 are as follows:

	2022	2021
Pledges receivable	\$ 79,000	\$ 75,500
Accounts receivable	8,463	2,013
	\$ 87,463	\$ 77,513

Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The Friends records the net present value of long-term pledges receivable as income in the year the pledge is made. Discount on pledges receivable over one year is not material and has therefore not been recorded.

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Notes to Consolidated Financial Statements

4. Receivables (continued)

Future pledges receivables are expected to be received in the following years ending December 31:

2023	\$ 28,000
2024	20,000
2025	20,000
2026	11,000
	<u>\$ 79,000</u>

5. Furniture and Equipment

Furniture and equipment are allocated to various activities as follows:

	<u>2022</u>	<u>2021</u>
Zoo support	\$ 37,247	\$ 37,247
Gift shop	34,301	34,301
Education	45,726	45,726
Catering	289,362	286,241
Management & general	<u>121,202</u>	<u>121,202</u>
	527,838	524,717
Less: accumulated depreciation	<u>(489,270)</u>	<u>(471,979)</u>
	<u>\$ 38,568</u>	<u>\$ 52,738</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was approximately \$17,300 and \$34,000, respectively.

6. Agreements with Onondaga County

The Friends have an agreement with Onondaga County regarding membership, whereby free admission is part of the benefits that members of the Friends receive. A portion of the membership fees collected is paid to the County to help defray the expense of this benefit and is also shown on the consolidated financial statements as zoo support expenses in program services. In 2022 and 2021, these expenses were approximately \$75,100 and \$66,500, respectively.

The Friends also have an agreement with Onondaga County to operate the HoneyBee Café at the Zoo, for the convenience of the Zoo visitors. The Friends pay the County \$30,000 each year from the profits of the café. The County was owed \$15,000 and \$30,000 for these payments at December 31, 2022 and 2021, respectively.

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Notes to Consolidated Financial Statements

6. Agreements with Onondaga County (continued)

The amounts due to Onondaga County for these fees at December 31 consisted of the following:

	2022	2021
Memberships	\$ 75,081	\$ 66,478
HoneyBee Café	15,000	30,000
	\$ 90,081	\$ 96,478

7. Net Assets

Net assets without donor restrictions

Net assets without donor restrictions are used for the day-to-day operations of the Friends. Board Designated Net Assets represent funds voluntarily set aside by the Board. They consist of the following for the years ended December 31, 2022 and 2021:

	2022	2021
Undesignated, available for general operations	\$ 1,969,820	\$ 2,086,182
Net furniture and equipment	38,568	52,738
	\$ 2,008,388	\$ 2,138,920

Net assets with donor restrictions

Net assets at December 31, 2022 and 2021 have been restricted by donor stipulation for the following purposes:

	2022	2021
Restricted for programs:		
Restricted for future projects	\$ 814,228	\$ 854,861
Restricted for the education outreach program	128,790	108,903
	\$ 943,018	\$ 963,764
Restricted by endowment:		
Rosamond Gifford Charitable Corporation		
Endowed Education Program	\$ 2,000,000	\$ 2,000,000
Cumulative investment income less expenditures	1,618,798	2,499,064
Endowment, for camperships/scholarships	11,445	11,445
Estate proceeds, earnings to be used for educational programs at the Zoo	67,132	67,132
Endowment, for general operating	5,090	5,090
	\$ 3,702,465	\$ 4,582,731
Total net assets with donor restrictions	\$ 4,645,483	\$ 5,546,495

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Notes to Consolidated Financial Statements

8. Endowment Funds

The Friends follows the New York Prudent Management of Institutional Funds Act (NYPMIFA) for endowment management. In accordance with NYPMIFA regulations, the Friends records all accumulated appreciation of endowment assets as net assets with donor restrictions until the funds are appropriated for spending. Depreciation of endowment assets reduces net assets with donor restrictions extent unrealized gains have been accumulated and then reduces net assets without donor restrictions. Under NYPMIFA guidelines, the Friends, with donor approval and Board approval, has the option to spend below the Historic Dollar Value (HDV) of the individual endowments; however, the Board of the Friends has historically followed a policy that it is prudent to maintain the HDV of all endowment funds to maintain purchasing power of the donor-restricted endowment funds. Under NYPMIFA, unless an endowment fund grant instrument specifically requires the Friends to maintain the purchasing power of such fund, the Friends are not charged with doing so.

Historically, the Friends has followed a spending practice that only the interest and dividend earnings generated by the endowment funds will be available for spending. Accumulated appreciation on the funds will be reinvested in the fund. Should the market value of an individual endowment fund account fall below its HDV, unless the endowment grant specifically requires that the Friends must at all times maintain HDV, the Board believes that the Friends is not required to immediately replace any lost value below HDV. In the event that current value, as shown at the year-end annual reporting date does fall below HDV, it is the Board's current policy to not spend any funds, either from earnings or investment gains, until the HDV is reestablished. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the Friends are required to retain as a fund of perpetual duration. There are no deficiencies at December 31, 2022.

Following is a reconciliation of the endowment fund for the years ended December 31:

	2022	2021
Balance at beginning of year	\$ 4,582,731	\$ 4,264,296
Investment income		
Interest and dividends	111,138	101,429
Net appreciation in market value of investments	(857,311)	442,801
Endowment spending	(134,093)	(225,795)
Balance at end of year	\$ 3,702,465	\$ 4,582,731

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Notes to Consolidated Financial Statements

8. Endowment Funds (continued)

The endowment fund balance is included in net assets on the consolidated statement of financial position at December 31 as follows:

	<u>2022</u>	<u>2021</u>
Net assets with donor restrictions:		
Cumulative investment income less expenditures	\$ 1,618,797	\$ 2,499,063
Net assets restricted by endowment	<u>2,083,668</u>	<u>2,083,668</u>
	<u>\$ 3,702,465</u>	<u>\$ 4,582,731</u>

9. Retirement Plans

The Friends has a 401(k) defined contribution retirement plan for its employees. The Friends will match 25% of the employees' contributions, up to 6% of their gross salary. The employees become vested in the plan over a five year period. The retirement expenses for the Friends in 2022 and 2021 were approximately \$8,900 and \$3,800, respectively.

10. Related Parties

The Friends occupy space in the building that is owned and operated by the Rosamond Gifford Zoo at Burnet Park (an Onondaga County park). They are not charged rent for this space.

The Friends donated approximately \$847,000 and \$408,500 for the years ended December 31, 2022 and 2021, respectively, to the Rosamond Gifford Zoo at Burnet Park for improvements and assistance in the expansion of the Zoo. These expenditures are recorded in zoo support in the accompanying consolidated statement of activities.

11. Commitments and Contingencies

In July 2020, the Friends committed to Onondaga County to attempt to raise \$1.1 million dollars for the County's new Animal Healthcare Center. The Friends will remit contributions raised from this endeavor to the County as received. As of December 31, 2022, the full \$1.1 million dollars was raised and approximately \$243,000 was owed to the County.

The Friends from time to time is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Friends, however there can be no assurances.

12. Revolving Demand Note

The Friends has a revolving demand note available with M&T Bank up to \$1,500,000, at the bank's prime rate plus 2%, secured by the Friends property. At December 31, 2022 and 2021 there were no outstanding balances on this note.

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13. Paycheck Protection Program Loan

On April 20, 2020, the Friends was granted \$256,385 from Key Bank through the Small Business Association (SBA), pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020. The PPP provides for loans to qualifying businesses for amount up to 2.5 times the average monthly payroll expenses of the qualifying business.

Under the terms of the PPP, the loan balance can be forgiven, in full or part, based on the use of the funds for qualifying expenses in accordance with the requirements of the CARES Act. Any unforgiven portion of the PPP loan is payable over 2 years at an interest rate of 1%, with a deferral of principal and interest payments for up to 10 months from the end of the covered period. The Friends received notification from Key Bank on December 10, 2020, that the SBA has approved its application for loan forgiveness of \$232,693, leaving \$23,692 to be repaid. The outstanding balance of \$23,692 was repaid in full in 2021.

In 2021, the Friends applied for and was awarded \$256,385 through the Small Business Association (SBA), pursuant to the PPP Second Draw Loan under Division A, Title I of the CARES Act. On November 18, 2021, the Friends received notification from Key Bank that the SBA approved its application for loan forgiveness in full, as such the balance forgiven of \$256,385 has been recognized as revenue within the consolidated statement of activities for the year ended December 31, 2021.

14. Subsequent Events

The Friends has evaluated subsequent events through May 22, 2023, which is the date the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.