

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

Consolidated Financial Statements

December 31, 2023

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

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grossman st. amour
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, 2023, 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, 2023, 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, 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grossman St. Amour CPA

Syracuse, New York
May 20, 2024

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

Consolidated Statement of Financial Position

**December 31, 2023
(with Comparative Totals for December 31, 2022)**

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,746,594	\$ 2,812,792
Pledges and other receivables, current portion	21,237	36,463
Prepaid expenses and other assets	101,752	66,683
Inventories	169,100	122,593
Total current assets	3,038,683	3,038,531
Investments	4,697,629	4,275,180
Certificates of deposit	251,038	-
Pledges and other receivables, net of current portion	26,986	51,000
Furniture and equipment, net	79,758	38,568
	\$ 8,094,094	\$ 7,403,279
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 139,550	\$ 142,649
Accrued salaries and payroll expenses	114,485	108,129
Deferred revenue	482,694	408,549
Due to Onondaga County	113,527	90,081
Total current liabilities	850,256	749,408
Net assets:		
Without donor restrictions	2,442,749	2,008,388
With donor restrictions	4,801,089	4,645,483
Total net assets	7,243,838	6,653,871
	\$ 8,094,094	\$ 7,403,279

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, 2023
(with Summarized, Comparative Totals for the Year Ended December 31, 2022)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Support:				
Contributions and grants	\$ 635,342	\$ 321,185	\$ 956,527	\$ 930,591
Special events net of direct expenses of \$172,849 and \$160,628 in 2023 and 2022, respectively	257,097	-	257,097	215,256
Total support	892,439	321,185	1,213,624	1,145,847
Revenue:				
Memberships	651,644	-	651,644	580,160
Sale of merchandise net of cost of sales of \$710,782 and \$590,724, in 2023 and 2022, respectively	1,338,097	-	1,338,097	996,193
Program fees	353,466	-	353,466	343,421
Rental/catering income net of cost of sales of \$161,135 and \$138,909 in 2023 and 2022, respectively	741,391	-	741,391	599,310
Net appreciation/(depreciation) in market value of investments	-	449,871	449,871	(857,311)
Interest and dividend income	150,507	-	150,507	120,689
Total revenue	3,235,105	449,871	3,684,976	1,782,462
Net assets released from restrictions	615,450	(615,450)	-	-
Total support and revenue	4,742,994	155,606	4,898,600	2,928,309
Expenses:				
Program services:				
Zoo support	1,482,595	-	1,482,595	1,667,217
Gift shop	197,127	-	197,127	219,545
Educational programs	415,236	-	415,236	367,167
Facility rentals/catering	660,035	-	660,035	460,723
Total program services	2,754,993	-	2,754,993	2,714,652
Supporting services:				
Management and general	819,345	-	819,345	671,902
Fundraising/membership	734,295	-	734,295	573,299
Total supporting services	1,553,640	-	1,553,640	1,245,201
Total expenses	4,308,633	-	4,308,633	3,959,853
Change in net assets	434,361	155,606	589,967	(1,031,544)
Net assets at beginning of year	2,008,388	4,645,483	6,653,871	7,685,415
Net assets at end of year	\$ 2,442,749	\$ 4,801,089	\$ 7,243,838	\$ 6,653,871

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, 2023
(with Summarized, Comparative Totals for the Year Ended December 31, 2022)**

	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		2023	2022
Salaries	\$ 357,923	\$ 124,175	\$ 297,309	\$ 446,170	\$ 1,225,577	\$ 511,736	\$ 354,267	\$ 866,003	\$ 2,091,580	\$ 1,733,456
Employee benefits	29,474	4,813	41,351	37,737	113,375	50,023	38,199	88,222	201,597	173,781
Payroll taxes	33,856	11,232	23,391	36,664	105,143	39,704	28,914	68,618	173,761	144,240
Total salaries and related expenses	421,253	140,220	362,051	520,571	1,444,095	601,463	421,380	1,022,843	2,466,938	2,051,477
Payroll fees	2,966	1,824	1,832	3,199	9,821	16,134	3,121	19,255	29,076	14,095
Professional fees and contracted service	280,927	123	1,304	29,270	311,624	37,678	5,883	43,561	355,185	340,191
Supplies and minor equipment	224,511	9,182	27,845	55,673	317,211	11,878	15,743	27,621	344,832	580,195
Telephone	63	16	594	1,452	2,125	885	203	1,088	3,213	1,723
Postage	121	414	258	162	955	808	38,673	39,481	40,436	28,604
Printing and public relations	13,239	1,472	3,269	2,502	20,482	35,639	84,533	120,172	140,654	90,887
Travel, conferences and staff education	42,139	237	695	1,453	44,524	15,799	7,267	23,066	67,590	31,207
Equipment maintenance and rental	174,443	1,961	3,320	18,046	197,770	56,821	41,237	98,058	295,828	449,140
Insurance	7,490	5,511	5,837	5,515	24,353	25,136	7,348	32,484	56,837	53,817
Onondaga County share	30,000	-	-	-	30,000	-	89,918	89,918	119,918	95,089
Projects and exhibit support	237,450	-	-	-	237,450	-	-	-	237,450	115,180
Bad debt expense	-	-	-	1,173	1,173	10,000	-	10,000	11,173	9,000
Miscellaneous expense	43,575	32,784	6,146	20,819	103,324	4,035	18,170	22,205	125,529	81,956
Total before depreciation expense	1,478,177	193,744	413,151	659,835	2,744,907	816,276	733,476	1,549,752	4,294,659	3,942,561
Depreciation expense	4,418	3,383	2,085	200	10,086	3,069	819	3,888	13,974	17,292
Total functional expenses	<u>\$ 1,482,595</u>	<u>\$ 197,127</u>	<u>\$ 415,236</u>	<u>\$ 660,035</u>	<u>\$ 2,754,993</u>	<u>\$ 819,345</u>	<u>\$ 734,295</u>	<u>\$ 1,553,640</u>	<u>\$ 4,308,633</u>	<u>\$ 3,959,853</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**

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2023

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

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 589,967	\$ (1,031,544)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	13,974	17,292
Net (appreciation)/depreciation in market value of investments	(449,871)	857,311
Bad debt expense	11,173	9,000
Changes in operating assets and liabilities:		
Pledges and other receivables, net	28,067	(18,950)
Prepaid expenses and other assets	(35,069)	(20,283)
Inventories	(46,507)	(26,691)
Accounts payable	(3,099)	31,336
Accrued salaries and payroll expenses	6,356	17,277
Deferred revenue	74,145	66,508
Due to Onondaga County	23,446	(6,397)
Net cash provided by (used in) operating activities	<u>212,582</u>	<u>(105,141)</u>
Cash flows from investing activities:		
Purchase of furniture and equipment	(55,164)	(3,122)
Purchase of certificates of deposit	(251,038)	-
Proceeds from sales of securities	284,538	257,019
Purchases of securities	(257,116)	(232,530)
Net cash provided by (used in) investing activities	<u>(278,780)</u>	<u>21,367</u>
Net change in cash	(66,198)	(83,774)
Cash and cash equivalents at beginning of year	<u>2,812,792</u>	<u>2,896,566</u>
Cash and cash equivalents at end of year	<u>\$ 2,746,594</u>	<u>\$ 2,812,792</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, 2022 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 Federal Deposit Insurance Corporation (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

The Friends and LLC have adopted FASB ASU 2016-13 *Financial Instruments - Credit Losses* (Topic 326) for the year ended December 31, 2023. This ASU requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Pledges and contributions receivable are scoped out of this standard. Adoption of the new standard did not have a material impact on the Friends and LLC's consolidated financial statements.

Non-Financial Contributions and In-Kind Donations

The Friends and LLC follow FASB ASU 958: Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets which 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.

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 2023 and 2022, 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 \$31,900 and \$11,000 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, approximately 8,800 and 8,000 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:

	2023	2022
Accounts receivable from contracts:		
Accounts receivable as of January 1:	\$ 8,463	\$ 2,013
Accounts receivable as of December 31:	\$ 3,098	\$ 8,463
Contract liabilities:		
Deferred revenue as of January 1:	\$ 408,549	\$ 342,041
Deferred revenue as of December 31:	\$ 482,694	\$ 408,549

**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, 2023 or 2022.

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:

	2023	2022
Cash and cash equivalents	\$ 2,746,594	\$ 2,812,792
Pledges and other receivables, current portion	21,237	36,463
Inventories	169,100	122,593
Investments	4,697,629	4,275,180
Less, net assets with donor restrictions	(4,801,089)	(4,645,483)
Consolidated financial assets available to meet cash needs for general expenditures within one year	\$ 2,833,471	\$ 2,601,545

**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.

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, 2023, 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 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:

	2023		2022	
	Market	Cost	Market	Cost
Money market funds	\$ 112,307	\$ 112,307	\$ 110,368	\$ 110,368
Mutual fund investments:				
Domestic equity:				
Value funds	472,874	364,756	472,323	397,651
Growth funds	409,126	229,659	320,629	235,024
Core	815,792	566,617	685,734	565,293
Real estate funds	56,639	46,460	45,446	38,981
International equity:				
Growth funds	174,940	130,644	152,573	130,009
Value funds	342,191	317,714	325,948	338,465
Real estate funds	36,840	39,752	31,625	35,422
Blend	18,662	17,435	20,014	19,714
Fixed income funds	1,894,230	2,085,538	1,733,466	1,963,017
Equity Securities:				
Financial	69,012	47,872	59,887	45,591
Energy	29,942	18,846	42,657	21,684
Other	265,074	195,883	274,510	202,718
	<u>\$ 4,697,629</u>	<u>\$ 4,173,483</u>	<u>\$ 4,275,180</u>	<u>\$ 4,103,937</u>
Unrealized appreciation		<u>\$ 524,146</u>		<u>\$ 171,243</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, 2023 or 2022.

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, 2023 and 2022:

	As of December 31, 2023			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Money market funds	\$ 112,307	\$ 112,307	\$ -	\$ -
Mutual fund investments:				
Domestic equity				
Value funds	472,874	472,874	-	-
Growth funds	409,126	409,126	-	-
Core funds	815,792	815,792	-	-
Real estate funds	56,639	56,639	-	-
International equity				
Growth funds	174,940	174,940	-	-
Value funds	342,191	342,191	-	-
Real estate funds	36,840	36,840	-	-
Blend	18,662	18,662	-	-
Fixed income funds	1,894,230	1,894,230	-	-
Equity Securities:				
Financial	69,012	69,012	-	-
Energy	29,942	29,942	-	-
Other	265,074	265,074	-	-
Total investments at fair value	<u>\$ 4,697,629</u>	<u>\$ 4,697,629</u>	<u>\$ -</u>	<u>\$ -</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 (continued)

	As of December 31, 2022			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		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	\$ -	\$ -

4. Pledges and Other Receivables

Receivables at December 31 are as follows:

	2023	2022
Pledges receivable	\$ 45,125	\$ 79,000
Accounts receivable	3,098	8,463
	\$ 48,223	\$ 87,463

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. Adjustment to present value is not material and was not recorded at December 31, 2023 or 2022. The Friends records the long-term pledges receivable as income in the year the pledge is made.

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Notes to Consolidated Financial Statements

4. Receivables (continued)

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

2024	\$ 18,125
2025	17,000
2026	<u>10,000</u>
	<u>\$ 45,125</u>

5. Furniture and Equipment

Furniture and equipment are allocated to various activities as follows:

	<u>2023</u>	<u>2022</u>
Zoo support	\$ 37,247	\$ 37,247
Gift shop	34,301	34,301
Education	62,118	45,726
Catering	328,133	289,362
Management & general	<u>121,202</u>	<u>121,202</u>
	583,001	527,838
Less: accumulated depreciation	<u>(503,243)</u>	<u>(489,270)</u>
	<u>\$ 79,758</u>	<u>\$ 38,568</u>

Depreciation expense for the years ended December 31, 2023 and 2022 was approximately \$14,000 and \$17,300, 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 2023 and 2022, these expenses were approximately \$83,500 and \$75,100, 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 Zoo owed the County \$30,000 and \$15,000 for these payments at December 31, 2023 and 2022, respectively, which is recorded as due to Onondaga County on the accompanying consolidated statement of financial position.

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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:

	2023	2022
Memberships	\$ 83,527	\$ 75,081
HoneyBee Café	30,000	15,000
	\$ 113,527	\$ 90,081

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, 2023 and 2022:

	2023	2022
Undesignated, available for general operations	\$ 2,362,991	\$ 1,969,820
Net furniture and equipment	79,758	38,568
	\$ 2,442,749	\$ 2,008,388

Net assets with donor restrictions

Net assets at December 31, 2023 and 2022 have been restricted by donor stipulation for the following purposes:

	2023	2022
Restricted for programs:		
Restricted for future projects	\$ 621,747	\$ 814,228
Restricted for the education outreach program	42,914	128,790
	\$ 664,661	\$ 943,018
Restricted by endowment:		
Rosamond Gifford Charitable Corporation		
Endowed Education Program	\$ 2,000,000	\$ 2,000,000
Cumulative investment income less expenditures	2,052,761	1,618,799
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
	\$ 4,136,428	\$ 3,702,466
Total net assets with donor restrictions	\$ 4,801,089	\$ 4,645,484

**FRIENDS OF THE ROSAMOND GIFFORD ZOO AT BURNET PARK, INC.
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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, 2023.

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

	2023	2022
Balance at beginning of year	\$ 3,702,464	\$ 4,582,731
Investment income		
Interest and dividends	119,113	111,137
Net appreciation in market value of investments	449,871	(857,311)
Endowment spending	(135,020)	(134,093)
Balance at end of year	\$ 4,136,428	\$ 3,702,464

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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:

	2023	2022
Net assets with donor restrictions:		
Cumulative investment income less expenditures	\$ 2,052,761	\$ 1,618,797
Net assets restricted by endowment	2,083,667	2,083,667
	\$ 4,136,428	\$ 3,702,464

9. Retirement Plan

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 2023 and 2022 were approximately \$8,500 and \$8,900, 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 \$614,000 and \$847,000 for the years ended December 31, 2023 and 2022, 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 2023, the Friends committed to Onondaga County to attempt to raise \$2.3 million for the County's new Botanical Gardens which will be located at the Zoo. The Friends will remit contributions raised from this endeavor to the County as received. In December 2023, Empire State Development Corporation awarded a grant of \$423,000 to be used for the Botanical Gardens project. The campaign and expenditures on the project are expected to begin in the Fall of 2024.

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. Subsequent Events

The Friends has evaluated subsequent events through May 20, 2024, which is the date the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these financial statements.