

The Toledo Zoological Society

Years Ended
December 31,
2019 and 2018

Consolidated
Financial
Statements
and
Supplementary
Information

THE TOLEDO ZOOLOGICAL SOCIETY

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Independent Auditors' Report on Supplementary Information	23
Supplementary Information for the Years Ended December 31, 2019 and 2018	
Consolidated Schedules of Park Operations	25
Consolidating Statement of Financial Position - 2019	26
Consolidating Statement of Activities - 2019	27

INDEPENDENT AUDITORS' REPORT

April 24, 2020

Board of Directors
The Toledo Zoological Society
Toledo, Ohio

We have audited the accompanying consolidated financial statements of **The Toledo Zoological Society** (the "Organization"), a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **The Toledo Zoological Society** as of December 31, 2019 and 2018, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the consolidated financial statements, in 2019 the Organization adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)* and No. 2014-09, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to these matters.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

THE TOLEDO ZOOLOGICAL SOCIETY

Consolidated Statements of Financial Position

ASSETS	December 31	
	2019	2018
Assets		
Cash and cash equivalents	\$ 2,737,780	\$ 4,396,385
Contributions receivable	1,687,827	1,864,489
Accounts receivable	385,214	206,349
Inventory	358,028	371,009
Prepaid expenses and deposits	414,311	309,532
Investment securities	20,382,206	17,078,367
Beneficial interest in perpetual trusts	917,921	982,951
Property and equipment		
Land and improvements	17,044,713	16,606,438
Buildings and structures	209,559,774	180,897,093
Equipment	11,834,479	12,355,991
Construction in progress	723,832	19,576,669
	239,162,798	229,436,191
Less accumulated depreciation	90,807,356	84,545,739
Net property and equipment	148,355,442	144,890,452
Total assets	\$ 175,238,729	\$ 170,099,534
LIABILITIES AND NET ASSETS		
Liabilities		
Bank revolving note payable	\$ 9,500,000	\$ 9,000,000
Accounts payable	2,421,266	2,639,773
Accrued payroll, vacation pay and payroll taxes	412,715	707,202
Deferred membership	1,284,625	1,519,295
Deferred revenue	600,145	601,742
Note payable	75,000	-
Total liabilities	14,293,751	14,468,012
Commitments (Note 13)		
Net assets		
Without donor restrictions	150,456,130	146,872,804
With donor restrictions	10,488,848	8,758,718
Total net assets	160,944,978	155,631,522
Total liabilities and net assets	\$ 175,238,729	\$ 170,099,534

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

THE TOLEDO ZOOLOGICAL SOCIETY

Consolidated Statements of Activities

	Year Ended December 31					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support						
Tax levies	\$ 12,420,163	\$ -	\$ 12,420,163	\$ 12,449,152	\$ -	\$ 12,449,152
Park operations	9,085,069	-	9,085,069	8,007,613	-	8,007,613
Admissions	6,270,482	-	6,270,482	5,805,690	-	5,805,690
Memberships	6,687,875	-	6,687,875	5,741,745	-	5,741,745
Special events and programs	1,058,864	-	1,058,864	1,082,288	-	1,082,288
Zoo pals	134,368	-	134,368	117,650	-	117,650
Investment return, net of fees	2,394,686	1,288,114	3,682,800	(620,099)	(330,656)	(950,755)
Contributions and bequests	978,869	753,409	1,732,278	897,134	1,974,219	2,871,353
Grants and other revenue	153,983	568,887	722,870	256,059	127,047	383,106
Change in value of beneficial interest in perpetual trusts	-	(65,030)	(65,030)	-	(114,298)	(114,298)
Net assets released from restriction	815,250	(815,250)	-	1,901,950	(1,901,950)	-
Total revenues, gains and other support	39,999,609	1,730,130	41,729,739	35,639,182	(245,638)	35,393,544
Expenses and losses						
Program expenses:						
Animal care and exhibitions	17,308,863	-	17,308,863	16,616,217	-	16,616,217
Park operations	8,331,126	-	8,331,126	7,930,731	-	7,930,731
Conservation	1,258,652	-	1,258,652	1,007,520	-	1,007,520
Education	1,393,433	-	1,393,433	1,405,448	-	1,405,448
Membership services	913,671	-	913,671	789,550	-	789,550
Marketing	2,543,935	-	2,543,935	2,376,559	-	2,376,559
Total program expenses	31,749,680	-	31,749,680	30,126,025	-	30,126,025
Supporting services expenses:						
General and administrative	3,752,330	-	3,752,330	3,626,578	-	3,626,578
Fundraising	703,066	-	703,066	762,933	-	762,933
Total supporting services expenses	4,455,396	-	4,455,396	4,389,511	-	4,389,511
Losses:						
Loss on disposal of property and equipment	211,207	-	211,207	1,036,935	-	1,036,935
Impairment of property and equipment	-	-	-	875,795	-	875,795
Total losses	211,207	-	211,207	1,912,730	-	1,912,730
Total expenses and losses	36,416,283	-	36,416,283	36,428,266	-	36,428,266
Changes in net assets	3,583,326	1,730,130	5,313,456	(789,084)	(245,638)	(1,034,722)
Net assets, beginning of year	146,872,804	8,758,718	155,631,522	147,661,888	9,004,356	156,666,244
Net assets, end of year	\$ 150,456,130	\$ 10,488,848	\$ 160,944,978	\$ 146,872,804	\$ 8,758,718	\$ 155,631,522

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

THE TOLEDO ZOOLOGICAL SOCIETY

Consolidated Statement of Functional Expenses
Year Ended December 31, 2019

	Program Expenses						Supporting Services			Total	
	Animal Care and Exhibitions	Park Operations	Conservation	Education	Membership Services	Marketing	Total Program Expenses	General and Administrative	Fundraising		Total Supporting Services
Salaries and wages	\$ 7,802,337	\$ 3,007,113	\$ 374,607	\$ 725,339	\$ 324,842	\$ 441,153	\$ 12,675,391	\$ 1,148,696	\$ 315,973	\$ 1,464,669	\$ 14,140,060
Fringe benefits	1,569,239	604,888	75,362	145,890	65,409	88,728	2,549,516	230,921	63,418	294,339	2,843,855
Cost of goods sold	1,071	2,382,205	-	-	-	-	2,383,276	-	-	-	2,383,276
Animal nutrition	618,010	-	-	-	-	-	618,010	-	-	-	618,010
Repairs and maintenance	695,039	18,232	-	418	3,577	-	717,266	7,508	-	7,508	724,774
Utilities	1,049,846	404,471	50,435	97,634	43,774	59,380	1,705,540	154,540	42,784	197,324	1,902,864
Professional and contracted services	526,973	129,524	-	-	162,551	5,000	824,048	227,038	32,351	259,389	1,083,437
Advertising and public relations	-	4,488	-	-	14,721	1,663,022	1,682,231	21,795	26,212	48,007	1,730,238
Processing fees	-	-	-	-	-	-	-	681,137	-	681,137	681,137
Insurance, licenses and taxes	6,510	29,443	390	-	-	-	36,343	425,093	200	425,293	461,636
Supplies	824,268	210,697	41,582	52,777	136,346	50,974	1,316,644	95,603	51,749	147,352	1,463,996
Training and education	46,354	14,934	3,249	12,785	2,725	17,981	98,028	138,864	11,292	150,156	248,184
Organizational dues	1,728	2,310	-	-	-	95	4,133	45,870	435	46,305	50,438
Animal acquisitions	116,578	-	-	-	-	-	116,578	-	-	-	116,578
Grants	-	-	517,311	2,499	-	-	519,810	-	-	-	519,810
Depreciation	3,830,235	1,476,424	183,946	356,091	159,651	216,570	6,222,917	563,637	154,792	718,429	6,941,346
Interest	214,897	-	-	-	-	-	214,897	-	-	-	214,897
Other	5,778	46,397	11,770	-	75	1,032	65,052	11,628	3,860	15,488	80,540
Total expenses	\$ 17,308,863	\$ 8,331,126	\$ 1,258,652	\$ 1,393,433	\$ 913,671	\$ 2,543,935	\$ 31,749,680	\$ 3,752,330	\$ 703,066	\$ 4,455,396	\$ 36,205,076

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

THE TOLEDO ZOOLOGICAL SOCIETY

Consolidated Statement of Functional Expenses
Year Ended December 31, 2018

	Program Expenses						Supporting Services			Total	
	Animal Care and Exhibitions	Park Operations	Conservation	Education	Membership Services	Marketing	Total Program Expenses	General and Administrative	Fundraising		Total Supporting Services
Salaries and wages	\$ 7,745,165	\$ 2,883,543	\$ 302,015	\$ 747,717	\$ 296,550	\$ 417,297	\$ 12,392,287	\$ 1,096,637	\$ 385,441	\$ 1,482,078	\$ 13,874,365
Fringe benefits	1,538,566	572,381	60,077	148,538	58,974	82,950	2,461,486	217,984	76,336	294,320	2,755,806
Cost of goods sold	-	2,045,822	-	-	-	-	2,045,822	-	-	-	2,045,822
Animal nutrition	518,053	-	-	-	-	-	518,053	-	-	-	518,053
Repairs and maintenance	724,995	9,569	-	471	-	-	735,035	7,452	-	7,452	742,487
Utilities	1,016,381	369,363	39,580	97,861	38,854	55,132	1,617,171	143,615	50,292	193,907	1,811,078
Professional and contracted services	647,006	286,879	-	250	149,677	3,947	1,087,759	191,850	11,523	203,373	1,291,132
Advertising and public relations	549	6,049	-	-	6,043	1,535,794	1,548,435	43,201	7,466	50,667	1,599,102
Processing fees	-	-	-	-	-	-	-	597,371	-	597,371	597,371
Insurance, licenses and taxes	7,475	24,128	282	-	-	-	31,885	319,567	200	319,767	351,652
Supplies	785,809	346,242	17,695	47,810	105,270	81,158	1,383,984	117,536	47,038	164,574	1,548,558
Training and education	56,988	10,369	16,529	26,631	1,907	12,828	125,252	338,903	6,976	345,879	471,131
Organizational dues	5,253	1,740	-	-	-	-	6,993	46,209	619	46,828	53,821
Animal acquisitions	115,984	-	-	-	-	-	115,984	-	-	-	115,984
Grants	-	-	436,460	3,271	-	-	439,731	-	4,517	4,517	444,248
Depreciation	3,448,191	1,339,804	134,642	332,899	132,171	185,905	5,573,612	488,540	171,082	659,622	6,233,234
Other	5,802	34,842	240	-	104	1,548	42,536	17,713	1,443	19,156	61,692
Total expenses	\$ 16,616,217	\$ 7,930,731	\$ 1,007,520	\$ 1,405,448	\$ 789,550	\$ 2,376,559	\$ 30,126,025	\$ 3,626,578	\$ 762,933	\$ 4,389,511	\$ 34,515,536

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

THE TOLEDO ZOOLOGICAL SOCIETY

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2019	2018
Cash flows from operating activities		
Changes in net assets	\$ 5,313,456	\$ (1,034,722)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Tax levies and contributions designated for capital improvements	(6,921,288)	(6,946,315)
Depreciation	6,941,348	6,233,234
Net realized and unrealized (gains) losses on investment securities	(3,005,554)	1,589,354
Contributions of beneficial interest in perpetual trusts	-	(126,705)
Change in value of beneficial interest in perpetual trusts	65,030	114,298
Loss on disposal of property and equipment	211,207	1,036,935
Impairment of property and equipment	-	875,795
Changes in operating assets and liabilities which provided (used) cash		
Accounts receivable	(178,865)	50,795
Inventory	12,981	33,523
Prepaid expenses and deposits	(104,779)	13,215
Accounts payable	(1,403,623)	(1,128,603)
Accrued payroll, vacation pay and payroll taxes	(294,487)	(151,808)
Deferred membership	(234,670)	(83,557)
Deferred revenue	(1,597)	142,593
Net cash provided by operating activities	399,159	618,032
Cash flows from investing activities		
Purchases and construction of property and equipment	(9,601,715)	(19,970,997)
Purchases of investment securities	(4,376,084)	(4,873,537)
Sales of investment securities	4,077,799	4,354,957
Proceeds from sale of property and equipment	161,200	1,000
Net cash used in investing activities	(9,738,800)	(20,488,577)
Cash flows from financing activities		
Net short term borrowings	500,000	9,000,000
Proceeds from tax levies and contributions designated for capital improvements	7,097,950	7,113,086
Proceeds from note payable	75,000	-
Net receipts of charitable gift annuities	8,086	4,876
Net cash provided by financing activities	7,681,036	16,117,962
Decrease in cash and cash equivalents	(1,658,605)	(3,752,583)
Cash and cash equivalents, beginning of year	4,396,385	8,145,420
Cash and cash equivalents, end of year	\$ 2,737,780	\$ 4,392,837
Supplemental disclosures of cash flows information		
Noncash capital activity	\$ 1,177,030	\$ 1,498,134

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

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The consolidated financial statements include the accounts of **The Toledo Zoological Society** (the “Society”), the **Toledo Zoological Society Foundation** (the “Foundation”) and **TZ Solar, Inc.** (“TZ Solar”) (collectively, the “Organization”). All significant inter-organization balances and transactions have been eliminated in these consolidated financial statements.

The Society is a tax-exempt charitable organization. The Society’s mission and program, which is functionally reported, is inspiring others to join in caring for animals and conserving the natural world. The Society’s support comes primarily from tax levies, park operations, admissions, memberships, contributions from donors and the Foundation and grants.

The Foundation is a nonprofit organization that was formed in 2001 to receive, hold, invest and administer donor-restricted contributions, gifts, and grants from the general public for the benefit of the Society. The Society is the sole member of the Foundation. As the sole member of the Foundation, it has been determined that the Society is able to exercise significant control over the Foundation.

TZ Solar, a wholly-owned subsidiary of the Society, was formed as a “C” Corporation in February 2010 for the construction and operation of a solar array on Society property. The project was funded by a mix of a State of Ohio grant, a federal ITC grant, and cash from the Society. TZ Solar is a “C” Corporation for tax purposes. Effective February 5, 2019, TZ Solar was dissolved with the remaining assets transferred to the Society at net book value.

Basis of Presentation

Net assets, revenues, revenues, and other support are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment. See Note 14.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note 9.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers all investment instruments with maturities of three months or less from date of purchase to be cash equivalents.

The Organization maintains its checking and savings accounts at various commercial banks. Balances on deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to specified limits; however, balances in excess of FDIC limits are uninsured. Management does not believe the Organization is exposed to any significant interest rate or other financial risk as a result of these deposits.

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all-significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of fair value measurements, refer to Note 3 to these consolidated financial statements.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

Investment Securities

Investment securities are carried at fair value. Fair value is determined based upon quoted market values, if available, or if not available, estimated amounts are provided by the bank trustee. Investment securities acquired by gift or bequest are recorded at fair value on the date of gift and such amount is considered the cost of the security. Any realized gain or loss on the sale of a security is determined using the cost basis of the security sold. Income from investments, including realized and unrealized gains and losses, is allocated among net assets with donor restrictions and without donor restrictions based on donor restrictions or the absence thereof. Investment return, net of fees is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, distributions from beneficial interest in perpetual trusts, less external investment expenses.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in these consolidated financial statements.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are carried at the amount the Organization expects to collect from balances outstanding at year-end. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the Foundation's risk adjusted rate. Amortization of the discounts is included in contribution revenue. The Organization has concluded that an allowance for doubtful accounts related to balances outstanding at year-end is not necessary. Uncollectible amounts that are still outstanding after management has used reasonable collection efforts are written-off through a charge to bad debts and a credit to contributions receivable.

Conditional promises to give, for various capital projects and programs, are not included as support until the conditions are substantially met. Such promises amounted to approximately \$723,000 and \$776,000 at December 31, 2019 and 2018, respectively.

Inventory

Inventory is stated at the lower of cost or net realizable value with cost determined on the first-in, first-out ("FIFO") basis.

Property and Equipment and Depreciation

The Organization capitalizes major additions to property and equipment at cost or fair value if acquired by gift. Depreciation of property and equipment is provided using the straight-line method based on the estimated useful lives of the individual assets which range from ten to fifty years for land improvements and buildings and structures, and five to twenty years for equipment.

Upon retirement, disposal or abandonment of property and equipment, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is reported in the consolidated statements of activities.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

Accounting for Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparing the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment charges were recognized on long-lived assets in 2019. In 2018, an impairment charge of \$875,795 was recognized in relation to the dissolution of TZ Solar.

Beneficial Interest in Perpetual Trusts

The Organization is the income beneficiary of perpetual trusts held and administered by outside fiscal agents. Under the terms of the trusts, the Organization has the irrevocable right to receive the income earned on the trusts' assets in perpetuity, but will never receive the assets held in trust. The present value of the estimated future cash receipts from the trust is recognized as an asset and donor restricted contributed support at the date the trust is established. Distributions from the trust are recorded as investment return, and the carrying value of the assets are adjusted annually for changes in the estimates of future receipts.

Revenue Recognition

The Organization records as revenue the following types of contributions when they are received unconditionally, at their fair value: cash, promises to give, certain donated services and gifts of long-lived and other assets. Conditional contributions, 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. The Organization's grants and appropriations (tax levies from Lucas County) are considered to be nonexchange transactions for purposes of applying revenue recognition policies. The Organization records appropriations, grants and other revenues as earned.

The Organization recognizes revenue from ticket sales, parking and rides at the time of admission. Sales from concessions and gift shops are recognized at the time of sale, point of sale. The sales are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing goods or services to the customer. Customers pay for goods sold on a stand-alone selling price basis at the point of sale which occurs at a point in time. Control is transferred immediately to the customer at the point of sale. Certain retail transactions provide customer with several direct opportunities that are considered performance obligations:

- The Organization provides member and employee discounts for purchases at the gift shops and concessions.
- The Organization allows customers to purchase gift certificates on a stand-alone selling price basis. Customers can use the gift certificate to make purchases as if the gift certificate was cash.
- The Organization provides for a right of return to the customer for purchased goods, allowing a customer to get "in-store credit" in the amount of the selling price of the goods being returned. Admissions are not refundable.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

The Organization has not reported a liability for estimated returns, discounts or outstanding gift certificates, as the amounts are not considered to be material to the consolidated financial statements.

Membership dues, which are nonrefundable, are composed of an exchange element based on the value of benefits provided, and a contribution element revenue from memberships within the fiscal year in which memberships are received and consumed. The contribution element is recognized as received, as noted above. Annual memberships are offered at posted rates for individuals, families and grandparents. The member pays for and begins receiving membership benefits upfront, and the performance obligation of the exchange element is satisfied over time as the benefits are consumed. Memberships are purchased throughout the year and primarily used by the end of the fiscal year given the seasonality of the Organization's operations. A portion of membership fees are deferred at year end and will be recognized as membership benefits are consumed.

Animal Collection

Purchases of animals are charged to expense and no value of the animal collection is reported in the consolidated statements of financial position. Additions to these collections acquired other than by purchases are not assigned a value and are not accounted for in the accounts of the Society.

Advertising Costs

The cost of advertising and public relations are expensed as incurred. The Organization incurred \$1,730,238 and \$1,599,102 in advertising and public relations expense during 2019 and 2018, respectively.

Income Taxes

The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"), except on net income derived from unrelated business activities from the operation of its gift shop, catering and rental of party space, and the Foundation is exempt under Section 501(a) of the IRC. The Society and the Foundation are also exempt from state and local taxes under the laws of the State of Ohio for nonprofit organizations. Accordingly, no provision for federal, state or local income taxes has been recorded in these consolidated financial statements for these entities.

TZ Solar is a "C" Corporation subject to federal, state and local taxation. No provision for federal or state income taxes was required in 2019 or 2018. As noted previously, TZ Solar was dissolved in February 2019 and remaining net book value transferred to Society.

The Society, the Foundation and TZ Solar have evaluated uncertain income tax positions and believe there are no such positions of significance at December 31, 2019 and 2018, that are required to be recorded or disclosed in these consolidated financial statements. The Society and the Foundation's federal Exempt Organization Business Income Tax Returns (Forms 990T) and TZ Solar's tax returns for all open tax years (2016 through 2019) remain subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other, which are allocated on the basis of estimates of time and effort.

Reclassifications

Certain amounts as reported in the 2018 consolidated financial statements have been reclassified to conform with the 2019 presentation.

Risks and Economic Uncertainties

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Many State Governors issued temporary Executive Orders that, among other stipulations, effectively prohibit in-person work activities for most businesses and industries including nonprofit entities, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the Organization's normal activities. The extent of the ultimate impact of the pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on funders, program recipients, employees, vendors, and other constituents, all of which cannot be reasonably predicted at this time. While management reasonably expects the COVID-19 outbreak to negatively impact the Organization's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Change in Accounting Principles

As of January 1, 2019, the Organization adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides guidance on how to determine whether a contribution is conditional and how to better distinguish a donor-imposed condition from a donor-imposed restriction. The Organization has applied this ASU on a modified prospective basis and elected to apply the provisions only to agreements that were entered into after the effective date. There was no impact to the timing or amount of revenue recognized as a result of this adoption.

As of January 1, 2019, the Organization also adopted ASU No. 2014-09, *Revenue from Contracts with Customers*. The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also specifies the accounting for incremental costs to obtain, or costs to fulfill, a contract with a customer. Further, the ASU states that an entity should disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization has applied this ASU on a modified retrospective basis and applied the standard only to contracts that were not complete as of January 1, 2019. There was no material impact to the consolidated financial statements as a result of the adoption.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2019, the most recent consolidated statement of financial position presented herein, through April 24, 2020, the date these consolidated financial statements were available to be issued. No significant such events or transactions were identified, other than the economic uncertainties matter described above.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of December 31:

	2019	2018
Cash and cash equivalents	\$ 2,728,873	\$ 4,391,337
Contributions receivables - due within one year	272,308	272,308
Accounts receivable	385,214	206,349
Investment securities	20,382,206	17,078,367
Less: board-designated for endowment	(10,705,469)	(9,744,003)
Less: board-designated other	(3,660,687)	(3,030,803)
Distributions from beneficial interest in perpetual trusts	24,437	46,868
Less: donor restricted net assets - subject to		
Expenditure for specified purpose	(5,486,044)	(5,542,607)
Passage of time	(39,419)	(29,858)
Endowment spending policy and appropriation	<u>(2,629,945)</u>	<u>(611,121)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,271,474</u>	<u>\$ 3,036,837</u>

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowment. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment of \$10,705,469 is subject to an annual spending rate as described in Note 14. Although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of the Organization's liquidity plan, tax levies, admissions, membership and park operations revenue is available for general expenditures, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

3. INVESTMENT SECURITIES AND FAIR VALUE MEASUREMENTS

The Organization utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Mutual funds, corporate bonds and beneficial interest in perpetual trusts are recorded at fair value on a recurring basis.

Following is a description of the valuation methodologies and key inputs used to measure financial assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified.

The Organization classifies its investments in mutual funds as Level 1 in the fair value hierarchy since the values are based on their quoted prices in active markets.

The Organization classifies the beneficial interest in perpetual trusts as Level 3 in the fair value hierarchy. The underlying trust assets cannot be liquidated or redeemed by the Organization. As such, no quoted prices or active market are available for these assets. As a practical expedient, the carrying value of the assets is deemed equal to the fair value of the total investments held in the trusts.

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.

The following tables set forth by level, within the fair value hierarchy, the recorded amount of assets measured at fair value on a recurring basis at December 31:

2019	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds				
Small cap	\$ 1,097,007	\$ -	\$ -	\$ 1,097,007
Mid cap	1,112,975	-	-	1,112,975
Large cap	8,172,052	-	-	8,172,052
International	2,464,368	-	-	2,464,368
Fixed Income	6,610,678	-	-	6,610,678
Real Estate	925,126	-	-	925,126
Beneficial interest in perpetual trusts	-	-	917,921	917,921
Total assets at fair value	\$ 20,382,206	\$ -	\$ 917,921	\$ 21,300,127

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

2018	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds				
Small cap	\$ 721,379	\$ -	\$ -	\$ 721,379
Mid cap	829,439	-	-	829,439
Large cap	6,613,479	-	-	6,613,479
International	2,348,789	-	-	2,348,789
Fixed Income	5,820,928	-	-	5,820,928
Real Estate	744,353	-	-	744,353
Beneficial interest in perpetual trusts	-	-	982,951	982,951
Total assets at fair value	\$ 17,078,367	\$ -	\$ 982,951	\$ 18,061,318

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets, consisting of the perpetual trust agreements, for the years ended December 31:

	2019	2018
Balance, January 1	\$ 982,951	\$ 970,544
Contributions and bequests	-	126,705
Unrealized gains (losses) relating to instruments held at the reporting date	(65,030)	(114,298)
Balance, December 31	\$ 917,921	\$ 982,951

4. CONTRIBUTIONS RECEIVABLE

The Organization is undergoing a capital campaign to obtain funds for the Master Plan of which \$2,195,499 is pledged and outstanding as of December 31, 2019. Campaign contributions of \$753,409 and \$1,668,725 were reported for the years ended December 31, 2019 and 2018, respectively, and are presented as donor restricted contributions in the consolidated statements of activities. Contributions receivable greater than one year are recognized at present value using a discount rate of 6%.

Contributions receivable, representing unconditional promises to give, are as follows at December 31:

	2019	2018
Gross amount due in		
Less than one year	\$ 272,308	\$ 272,308
One to four years	769,231	849,231
Over four years	1,153,960	1,346,153
	2,195,499	2,467,692
Less amount representing discount	507,672	603,203
Present value of promises to give	\$ 1,687,827	\$ 1,864,489

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

5. INVENTORY

Inventory purchased for resale consisted of the following at December 31:

	2019	2018
Gifts and souvenirs	\$ 209,833	\$ 255,816
Concessions	148,195	115,193
Total	<u>\$ 358,028</u>	<u>\$ 371,009</u>

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers for the Organization for the years ended December 31, 2019 and 2018, is as follows:

	2019	2018
Park operations - recognized point in time	\$ 9,085,069	\$ 8,007,613
Admissions - recognized point in time	6,270,482	5,805,690
Memberships - recognized over time	6,687,875	5,697,029
Total	<u>\$ 22,043,426</u>	<u>\$ 19,510,332</u>

Park operations (concessions, gift and souvenir sales, parking, rides and other) and admissions are recognized at a point in time as control does not transfer to the customer until the point of sale. As discussed in Note 1, certain variable consideration and customer rights have not been reported as a contract liability, as the amounts are not considered to be material to the consolidated financial statements. The exchange portion of memberships are recognized over time as the customer simultaneously receives and consumes the benefit of the services. The Organization uses both input and output methods to recognize revenue depending on the nature of the services provided.

7. DEFERRED MEMBERSHIP

Deferred membership of \$1,284,625 and \$1,519,295 as of December 31, 2019 and 2018, respectively, represents performance obligations associated with membership fees with payments received and for which the benefits have not been fully realized. The deferred membership will be ratably recognized as membership benefits are consumed, with consideration of the Organization's seasonal activity. The following table provides information about significant changes to the contract liabilities for the years ended December 31, 2019 and 2018.

	2019	2018
Deferred membership, beginning of year	\$ 1,519,295	\$ 1,435,738
Revenue recognized that was included in deferred membership at the beginning of the year	(1,519,295)	(1,435,738)
Increase in deferred revenue due to cash received during the period	1,284,625	1,519,295
Deferred membership, end of year	<u>\$ 1,284,625</u>	<u>\$ 1,519,295</u>

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

8. BANK REVOLVING NOTE PAYABLE

The Society has available an unsecured \$15,000,000 bank revolving note due June 4, 2020 to be used for capital improvements and operating purposes. Interest at LIBOR plus 1.05% is payable monthly. The outstanding balance at December 31, 2019 and 2018 was \$9,500,000 and \$9,000,000, respectively.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31:

	2019	2018
Subject to expenditure for specified purpose:		
Care of Animals	\$ 1,636,643	\$ 1,410,299
Capital projects	4,912,208	5,450,458
Works progress administration		
buildings maintenance	255,173	208,774
Research and collaboration	97,539	65,257
	<u>6,901,563</u>	<u>7,134,788</u>
Subject to passage of time:		
Charitable gift annuities, time restrictions	39,419	29,858
Not subject to spending policy or appropriation:		
Beneficial interests in perpetual trusts	917,921	982,951
Endowments:		
Subject to appropriation and expenditure when		
a specified event occurs:		
Available for general use	492,521	149,937
Subject to endowment spending policy and		
appropriation:		
General endowment	300,000	300,000
Care of animals endowment	81,184	81,184
Conda Zoo Teen endowment	271,490	-
Carnivore Education center	1,404,750	-
Research and collaboration endowment	80,000	80,000
Total endowments	<u>2,629,945</u>	<u>611,121</u>
Total	<u>\$ 10,488,848</u>	<u>\$ 8,758,718</u>

The net assets released from donor restrictions in 2019 and 2018 amounted to \$815,250 and \$1,901,950, respectively. Such amounts related primarily to the satisfaction of property and equipment acquisitions.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

10. RETIREMENT PLANS

The Society maintains a defined contribution plan covering salaried and bargaining unit employees. The plan provides for both a basic contribution for all employees as well as matching contributions, up to limits defined in the plans. Retirement expense relating to the plan was \$525,933 in 2019 and \$517,665 in 2018 and is reported in fringe benefits.

11. LEVY SUPPORT AND CONCENTRATION

The Society is the recipient of two Lucas County real estate tax levies. One levy, under contractual arrangements with the Board of Lucas County Commissioners, is specifically designated for capital improvements and was passed in November 2015 and will be collected through 2026. The second levy, for current operations, was passed as a renewal levy in November 2016 for five years. The capital improvements levy generated revenue of \$7,097,950 in 2019 and \$7,113,086 in 2018. The operating levy generated revenue of \$5,322,213 in 2019 and \$5,336,066 in 2018. Approximately 30% in 2019 and 35% in 2018 of the Society's consolidated revenues, gains and other support was obtained through Lucas County capital and operating real estate tax levies.

12. DONATED SERVICES

The recorded contributed value of donated services provided by doctors and paramedics to the Society's animals approximated \$36,100 in 2019 and \$48,900 in 2018. Additionally, approximately 75,500 hours in 2019 and 69,400 hours in 2018 were volunteered by non-specialized individuals for which no value has been assigned.

13. PROPERTY AND EQUIPMENT COMMITMENT

Construction in progress at December 31, 2019, relates to costs incurred with respect to various projects approved by the Board of Directors of the Society. Such projects relate to Carnivore area renovations, software development, property acquisitions and other major maintenance and repair projects. These projects are estimated to cost an additional \$23.3 million and will be completed over the following 6 to 24 months. Funding for these projects will be from a capital campaign, capital improvements tax levy, and general operations.

14. ENDOWMENTS

The Organization's endowments consist of 5 funds established for the benefit of the Society. Its endowments consist of both donor-restricted endowment funds and funds designated by the Board of Directors for the Society and Foundation ("Boards") to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Boards to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

Interpretation of Relevant Law

The Boards of the Organization have interpreted the State of Ohio's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. At December 31, 2019 and 2018, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity:

- The original value of initial and subsequent gifts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment.
- Any accumulations to the endowment made in accordance with direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Boards in a manner consistent with the standard of prudence prescribed by UPMIFA. The Boards consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for endowment assets that attempts to manage fund assets according to prudent standards as established in common trust law. Investment of the funds will be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The intent is for investments to be broadly diversified so as to participate in market growth. It is not the intent to dramatically allocate among asset classes in an attempt to "time" the markets.

Distribution Policy

The Foundation has adopted a Statement of Distribution Policy ("Distribution Policy") to provide financial support to the Society as may be determined from time to time by the Board of Directors of the Foundation. The Distribution Policy is also designed to provide endowment protection and future growth to ensure the perpetuity of the funding of the Foundation.

It is the policy of the Foundation to make a distribution up to 5% of the previous three-year moving average market value of the Foundation, or a particular endowment, using the fund balances as of June 30 of each year.

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

Strategies Employed for Archiving Objectives

In order to meet its needs, the investment strategy of the Organization is to emphasize total return; that is the aggregate return from realized and unrealized capital gains and losses and dividends and interest income.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Boards have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2019 and 2018, the Organization did not have any underwater endowments.

Endowment Net Asset Composition by Type of Fund as of December 31, 2019

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment funds	\$ 10,705,469	\$ -	\$ 10,705,469
Donor restricted endowment funds:			
Original donor-restricted gift amount and amounts to be maintained in perpetuity by donor	-	2,137,424	2,137,424
Accumulated investment gains	-	492,521	492,521
Total funds	\$ 10,705,469	\$ 2,629,945	\$ 13,335,414

Changes in Endowment Net Assets for the Year Ended December 31, 2019

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 9,744,003	\$ 611,121	\$ 10,355,124
Donation	126,813	100,000	226,813
Net investment gain	2,056,894	615,691	2,672,585
Other changes:			
Appropriations of endowment assets for expenditure	(743,249)	-	(743,249)
Transfer	(478,992)	1,303,133	824,141
Endowment net assets, end of year	\$ 10,705,469	\$ 2,629,945	\$ 13,335,414

THE TOLEDO ZOOLOGICAL SOCIETY

Notes to Consolidated Financial Statements

Endowment Net Asset Composition by Type of Fund as of December 31, 2018

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment funds	\$ 9,744,003	\$ -	\$ 9,744,003
Donor restricted endowment funds:			
Original donor-restricted gift amount and amounts to be maintained in perpetuity by donor	-	461,184	461,184
Accumulated investment gains	-	149,937	149,937
Total funds	\$ 9,744,003	\$ 611,121	\$ 10,355,124

Changes in Endowment Net Assets for the Year Ended December 31, 2018

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 10,381,360	\$ 630,377	\$ 11,011,737
Net investment loss	(600,723)	(19,256)	(619,979)
Other changes:			
Transfer	(36,634)	-	(36,634)
Endowment net assets, end of year	\$ 9,744,003	\$ 611,121	\$ 10,355,124

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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

April 24, 2020

Board of Directors
The Toledo Zoological Society
Toledo, Ohio

We have audited the consolidated financial statements of *The Toledo Zoological Society* as of and for the years ended December 31, 2019 and 2018, and have issued our report thereon dated April 24, 2020, which expressed an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in our audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



**SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

THE TOLEDO ZOOLOGICAL SOCIETY

Consolidated Schedules of Park Operations

	Year Ended December 31	
	2019	2018
Park operations revenue		
Concessions	\$ 3,057,164	\$ 2,667,355
Gifts and souvenirs	2,430,622	2,340,322
Parking	836,406	782,140
Rides	595,061	564,588
Catering and facility rentals	2,119,834	1,589,439
Tours	45,982	63,769
	<hr/>	<hr/>
Total park operations revenue	9,085,069	8,007,613
Cost of goods sold	<hr/>	<hr/>
	2,540,190	2,045,822
	<hr/>	<hr/>
Park operations gross profit	<u>\$ 6,544,879</u>	<u>\$ 5,961,791</u>

See independent auditors' report on supplementary information.

THE TOLEDO ZOOLOGICAL SOCIETY

Consolidating Statement of Financial Position

December 31, 2019

	Toledo Zoological Society	Toledo Zoological Society Foundation	TZ Solar, Inc.	Eliminations	Total
ASSETS					
Assets					
Cash and cash equivalents	\$ 1,736,149	\$ 1,001,631	\$ -	\$ -	\$ 2,737,780
Intercompany receivable	619,608	(619,608)	-	-	-
Contributions receivable	-	1,687,827	-	-	1,687,827
Accounts receivable	385,214	-	-	-	385,214
Inventory	358,028	-	-	-	358,028
Prepaid expenses and deposits	404,350	9,961	-	-	414,311
Investment securities	2,765,393	17,616,813	-	-	20,382,206
Beneficial interest in perpetual trusts	917,921	-	-	-	917,921
Property and equipment					
Land and improvements	17,044,713	-	-	-	17,044,713
Buildings and structures	209,559,774	-	-	-	209,559,774
Equipment	11,834,479	-	-	-	11,834,479
Construction in progress	723,832	-	-	-	723,832
	239,162,798	-	-	-	239,162,798
Less accumulated depreciation	90,807,356	-	-	-	90,807,356
Net property and equipment	148,355,442	-	-	-	148,355,442
Total assets	\$ 155,542,105	\$ 19,696,624	\$ -	\$ -	\$ 175,238,729
LIABILITIES AND NET ASSETS					
Liabilities					
Bank revolving note payable	\$ 9,500,000	\$ -	\$ -	\$ -	\$ 9,500,000
Accounts payable	2,402,905	18,361	-	-	2,421,266
Accrued payroll, vacation pay and payroll taxes	412,715	-	-	-	412,715
Deferred membership	1,284,625	-	-	-	1,284,625
Deferred revenue	600,145	-	-	-	600,145
Note payable	75,000	-	-	-	75,000
Total liabilities	14,275,390	18,361	-	-	14,293,751
Net assets					
Without donor restrictions	140,050,660	10,325,470	-	80,000	150,456,130
With donor restrictions	1,062,241	9,506,607	-	(80,000)	10,488,848
Total net assets	141,112,901	19,832,077	-	-	160,944,978
Total liabilities and net assets	\$ 155,388,291	\$ 19,850,438	\$ -	\$ -	\$ 175,238,729

See independent auditors' report on supplementary information.

THE TOLEDO ZOOLOGICAL SOCIETY

Consolidating Statement of Activities

Year Ended December 31, 2019

	Toledo Zoological Society	Toledo Zoological Society Foundation	TZ Solar, Inc.	Eliminations	Total
Net assets without donor restrictions:					
Revenues, gains and other support					
Tax levies	\$ 12,420,163	\$ -	\$ -	\$ -	\$ 12,420,163
Park operations	9,085,069	-	-	-	9,085,069
Admissions	6,270,482	-	-	-	6,270,482
Memberships	6,687,875	-	-	-	6,687,875
Special events and programs	1,058,864	-	-	-	1,058,864
Zoo pals	134,368	-	-	-	134,368
Investment return, net of fees	325,474	2,069,212	-	-	2,394,686
Contributions and bequests	852,056	126,813	-	-	978,869
Grants and other revenue	1,639,321	-	338	(1,485,676)	153,983
Net assets released from restriction	438,655	376,595	-	-	815,250
Total revenues, gains and other support	38,912,327	2,572,620	338	(1,485,676)	39,999,609
Expenses and losses					
Program expenses:					
Animal care and exhibitions	17,309,201	-	-	(338)	17,308,863
Park operations	8,331,126	-	-	-	8,331,126
Conservation	1,258,652	-	-	-	1,258,652
Education	1,393,433	-	-	-	1,393,433
Membership services	913,671	-	-	-	913,671
Marketing	2,543,935	-	-	-	2,543,935
Total program expenses	31,750,018	-	-	(338)	31,749,680
Supporting services expenses:					
General and administrative	3,752,330	-	-	-	3,752,330
Fundraising	687,810	1,500,594	-	(1,485,338)	703,066
Total supporting services expenses	4,440,140	1,500,594	-	(1,485,338)	4,455,396
Losses:					
Loss on disposal of property and equipment	659,378	-	(448,171)	-	211,207
Total expenses and losses	36,849,536	1,500,594	(448,171)	(1,485,676)	36,416,283
Changes in net assets without donor restrictions	2,062,791	1,072,026	448,509	-	3,583,326
Net assets with donor restrictions:					
Investment return, net of fees	-	1,288,114	-	-	1,288,114
Contributions and bequests	-	753,409	-	-	753,409
Grants and other revenue	368,887	200,000	-	-	568,887
Net assets released from restriction	(438,655)	(376,595)	-	-	(815,250)
Transfer	-	-	-	-	-
Change in value of beneficial interest in perpetual trusts	87,263	(152,293)	-	-	(65,030)
Changes in net assets with donor restrictions	17,495	1,712,635	-	-	1,730,130
Changes in net assets	2,080,286	2,784,661	448,509	-	5,313,456
Net assets, beginning of year	139,032,615	17,047,416	(448,509)	-	155,631,522
Net assets, end of year	\$141,112,901	\$ 19,832,077	\$ -	\$ -	\$160,944,978

See independent auditors' report on supplementary information.