



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Columbus Zoological Park Association and Subsidiaries

Consolidating Financial Statements

December 31, 2023

(with Comparative Totals for December 31, 2022)

(with Independent Auditors' Report)

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Columbus Zoological Park Association and Subsidiaries
Powell, Ohio

Opinion

We have audited the accompanying consolidating financial statements of the Columbus Zoological Park Association and Subsidiaries (the Association) which comprise the consolidating statement of financial position as of December 31, 2023, and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, the consolidating financial statements present fairly, in all material respects, the financial position of the Columbus Zoological Park Association and Subsidiaries as of December 31, 2023, and the changes 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. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidating financial statements section of our report. We are required to be independent of the Columbus Zoological Park Association and Subsidiaries, 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 consolidating financial statements

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

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

Report on summarized comparative information

We have previously audited the Columbus Zoological Park Association and Subsidiaries' 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 10, 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 consolidating financial statements from which it has been derived.

Auditors' responsibilities for the audit of the consolidating financial statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidating 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 consolidating financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 consolidating financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 27, 2024

Columbus Zoological Park Association and Subsidiaries
Consolidating Statement of Financial Position
December 31, 2023
(with Comparative Totals as of December 31, 2022)

	2023				2022	
	Columbus Zoo	The Wilds	Zoombezi Bay	Eliminations	Consolidated Totals	Consolidated Totals
Assets						
Current assets:						
Cash and cash equivalents	\$ 59,981,734	7,170,466	1,898,225	-	69,050,425	70,295,303
Accounts receivable, net (NOTE 3)	8,701,154	552,993	12,538	-	9,266,685	15,238,204
Accounts receivable, related party	-	1,379,013	2,680,761	(4,059,774)	-	-
Current portion of unconditional promises to give (NOTE 4)	3,088,073	73,786	-	-	3,161,859	2,996,663
Prepaid expenses	1,161,778	198,650	140,951	-	1,501,379	1,711,260
Inventory (NOTE 5)	296,859	147,967	28,900	-	473,726	1,535,525
	<u>73,229,598</u>	<u>9,522,875</u>	<u>4,761,375</u>	<u>(4,059,774)</u>	<u>83,454,074</u>	<u>91,776,955</u>
Property and equipment:						
Land	8,462,970	6,549,138	-	-	15,012,108	15,012,108
Leasehold / land improvements	277,987,164	3,585,997	-	-	281,573,161	277,034,699
Recreational facilities	9,774,867	19,348,217	39,777,416	-	68,900,500	67,997,836
Operations equipment	19,386,000	1,702,142	2,377,098	-	23,465,240	21,859,400
Motorized fleet	3,023,925	856,502	-	-	3,880,427	3,858,626
Construction in progress	6,060,954	391,528	-	-	6,452,482	2,518,028
	<u>324,695,880</u>	<u>32,433,524</u>	<u>42,154,514</u>	<u>-</u>	<u>399,283,918</u>	<u>388,280,697</u>
Less: accumulated depreciation	<u>(166,076,227)</u>	<u>(13,119,100)</u>	<u>(27,015,776)</u>	<u>-</u>	<u>(206,211,103)</u>	<u>(192,602,061)</u>
	<u>158,619,653</u>	<u>19,314,424</u>	<u>15,138,738</u>	<u>-</u>	<u>193,072,815</u>	<u>195,678,636</u>
Other assets:						
Beneficial interest in assets held by others (NOTE 7)	955,449	112,367	-	-	1,067,816	987,302
Investments (NOTE 7)	64,470,794	-	-	-	64,470,794	37,284,625
Interest rate swap (NOTE 16)	-	-	614,128	-	614,128	881,204
Unconditional promises to give, less current portion, net (NOTE 4)	2,171,696	-	-	-	2,171,696	3,325,551
Operating leases right-of-use assets (NOTE 17)	159,373	-	3,651,421	(3,651,421)	159,373	236,904
Other assets (NOTE 10)	3,720,442	-	-	(3,000,500)	719,942	885,309
	<u>71,477,754</u>	<u>112,367</u>	<u>4,265,549</u>	<u>(6,651,921)</u>	<u>69,203,749</u>	<u>43,600,895</u>
	<u>\$ 303,327,005</u>	<u>28,949,666</u>	<u>24,165,662</u>	<u>(10,711,695)</u>	<u>345,730,638</u>	<u>331,056,486</u>

See accompanying notes to the consolidating financial statements.

Columbus Zoological Park Association and Subsidiaries
Consolidating Statement of Financial Position (continued)
December 31, 2023
(with Comparative Totals as of December 31, 2022)

	2023				2022	
	Columbus Zoo	The Wilds	Zoombezi Bay	Eliminations	Consolidated Totals	Consolidated Totals
Liabilities and net assets						
Current liabilities:						
Accounts payable	\$ 5,745,501	130,352	37,064	-	5,912,917	4,041,792
Accounts payable, related party	4,059,774	-	-	(4,059,774)	-	-
Accrued payroll and related liabilities	4,384,242	237,496	94,519	-	4,716,257	4,205,917
Accrued interest	-	-	27,449	-	27,449	29,944
Accrued taxes	69,431	25,667	115,610	-	210,708	148,925
Accrued other (NOTE 12)	-	-	-	-	-	30,450
Deferred revenue (NOTE 13)	8,210,439	1,029,442	214,373	-	9,454,254	10,979,820
Current portion of notes payable (NOTE 16)	-	-	1,100,000	-	1,100,000	1,100,000
Current portion of operating lease liabilities (NOTE 17)	85,048	-	227,528	(227,528)	85,048	107,267
Wage continuation (NOTE 14)	873,434	-	-	-	873,434	843,898
	<u>23,427,869</u>	<u>1,422,957</u>	<u>1,816,543</u>	<u>(4,287,302)</u>	<u>22,380,067</u>	<u>21,488,013</u>
Long-term liabilities:						
Notes payable, less current portion (NOTE 16)	-	-	11,000,000	-	11,000,000	12,100,000
Deferred tax liability (NOTE 11)	-	-	1,281,000	-	1,281,000	1,041,000
Operating lease liabilities, less current portion (NOTE 17)	77,573	-	3,423,893	(3,423,893)	77,573	127,769
	<u>77,573</u>	<u>-</u>	<u>15,704,893</u>	<u>(3,423,893)</u>	<u>12,358,573</u>	<u>13,268,769</u>
Net assets:						
Without donor restrictions	268,800,253	25,211,180	-	-	294,011,433	280,554,247
With donor restrictions (NOTE 18)	11,021,310	2,315,529	-	-	13,336,839	10,778,705
Members' equity	-	-	3,000,500	(3,000,500)	-	-
Retained earnings	-	-	3,643,726	-	3,643,726	4,966,752
	<u>279,821,563</u>	<u>27,526,709</u>	<u>6,644,226</u>	<u>(3,000,500)</u>	<u>310,991,998</u>	<u>296,299,704</u>
	<u>\$ 303,327,005</u>	<u>28,949,666</u>	<u>24,165,662</u>	<u>(10,711,695)</u>	<u>345,730,638</u>	<u>331,056,486</u>

See accompanying notes to the consolidating financial statements.

Columbus Zoological Park Association and Subsidiaries
Consolidating Statement of Activities
Year Ended December 31, 2023
(with Comparative Totals for Year Ended December 31, 2022)

	2023				2022	
	Columbus Zoo	The Wilds	Zoombezi Bay	Eliminations	Consolidated Totals	Consolidated Totals
Changes in net assets without donor restrictions:						
Revenue and support:						
Tax levy, Franklin County	\$ 20,513,920	-	-	-	20,513,920	20,222,567
Gate admissions	18,477,336	5,171,196	6,827,455	-	30,475,987	26,275,368
General contributions and grants	1,904,017	2,351,257	-	(1,650,000)	2,605,274	4,915,967
Donated materials, facilities and services	1,116,883	970,128	-	(947,569)	1,139,442	1,069,905
Sponsorship revenue	2,289,277	22,837	267,330	-	2,579,444	2,925,314
Membership dues	12,846,055	519,597	1,428,853	-	14,794,505	14,229,747
Rent income - Zoombezi Bay, LLC	300,000	-	-	(300,000)	-	-
Ride admissions	2,517,361	-	-	-	2,517,361	2,353,093
Education	2,276,709	-	-	-	2,276,709	1,877,119
Gift shop sales	2,117,042	811,922	104,904	-	3,033,868	9,134,958
Golf course revenue	2,112,277	-	-	-	2,112,277	2,351,048
Food service revenue	3,771,426	523,809	894,698	-	5,189,933	16,810,718
Auxiliary activities	8,098,571	248,012	2,199,062	(2,549,305)	7,996,340	8,506,090
Gain (loss) on interest rate swap	-	-	(267,076)	-	(267,076)	1,578,382
Investment income (loss), net	6,534,816	196,283	54,476	-	6,785,575	(2,238,209)
Net assets released from restrictions	4,849,701	254,140	-	-	5,103,841	3,166,103
	<u>89,725,391</u>	<u>11,069,181</u>	<u>11,509,702</u>	<u>(5,446,874)</u>	<u>106,857,400</u>	<u>113,178,170</u>

See accompanying notes to the consolidating financial statements.

Columbus Zoological Park Association and Subsidiaries
Consolidating Statement of Activities (continued)
Year Ended December 31, 2023
(with Comparative Totals for Year Ended December 31, 2022)

	2023				2022	
	Columbus Zoo	The Wilds	Zoombezi Bay	Eliminations	Consolidated Totals	Consolidated Totals
Expenses:						
Program services:						
Animal care, research and conservation	21,008,758	2,502,305	-	(1,812,814)	21,698,249	18,617,422
Other programs	<u>43,395,703</u>	<u>6,475,825</u>	<u>-</u>	<u>(1,123,074)</u>	<u>48,748,454</u>	<u>55,314,760</u>
	64,404,461	8,978,130	-	(2,935,888)	70,446,703	73,932,182
Support services:						
Management and general	10,738,487	907,390	12,592,728	(2,417,253)	21,821,352	22,496,833
Fundraising	<u>2,180,792</u>	<u>128,126</u>	<u>-</u>	<u>(93,733)</u>	<u>2,215,185</u>	<u>2,577,984</u>
	<u>77,323,740</u>	<u>10,013,646</u>	<u>12,592,728</u>	<u>(5,446,874)</u>	<u>94,483,240</u>	<u>99,006,999</u>
Change in net assets without donor restrictions - prior to income taxes	12,401,651	1,055,535	(1,083,026)	-	12,374,160	14,171,171
Federal income tax expense	<u>-</u>	<u>-</u>	<u>(240,000)</u>	<u>-</u>	<u>(240,000)</u>	<u>(350,000)</u>
Change in net assets without donor restrictions	<u>12,401,651</u>	<u>1,055,535</u>	<u>(1,323,026)</u>	<u>-</u>	<u>12,134,160</u>	<u>13,821,171</u>
Changes in net assets with donor restrictions:						
General contributions and grants	6,709,316	935,958	-	-	7,645,274	3,051,412
Investment income	-	16,701	-	-	16,701	(22,290)
Net assets released from restrictions	<u>(4,849,701)</u>	<u>(254,140)</u>	<u>-</u>	<u>-</u>	<u>(5,103,841)</u>	<u>(3,166,103)</u>
Change in net assets with donor restrictions	<u>1,859,615</u>	<u>698,519</u>	<u>-</u>	<u>-</u>	<u>2,558,134</u>	<u>(136,981)</u>
Total change in net assets	14,261,266	1,754,054	(1,323,026)	-	14,692,294	13,684,190
Capital contribution	-	-	3,000,000	(3,000,000)	-	-
Net assets at beginning of year	<u>265,560,297</u>	<u>25,772,655</u>	<u>4,967,252</u>	<u>(500)</u>	<u>296,299,704</u>	<u>282,615,514</u>
Net assets at end of year	<u>\$ 279,821,563</u>	<u>27,526,709</u>	<u>6,644,226</u>	<u>(3,000,500)</u>	<u>310,991,998</u>	<u>296,299,704</u>

See accompanying notes to the consolidating financial statements.

Columbus Zoological Park Association and Subsidiaries
Consolidating Statement of Functional Expenses
Year Ended December 31, 2023
(with Comparative Totals for Year Ended December 31, 2022)

		2023						
		Columbus Zoo					The Wilds	
		Program Services		Supporting Services			Program Services	
		Animal Care, Research and Conservation	Other Programs	Management and General	Fundraising	Total	Animal Care, Research and Conservation	Other Programs
Salaries and wages	\$	9,163,650	15,583,112	3,486,791	817,524	29,051,077	1,461,060	2,633,627
Fringe benefits and payroll taxes		3,033,967	4,504,044	1,350,969	276,828	9,165,808	501,016	614,265
Contracted operations		-	809,105	-	-	809,105	-	-
Advertising and promotion		-	1,333,736	60,964	-	1,394,700	-	134,390
Animal care and acquisitions		2,610,182	46,126	-	-	2,656,308	258,789	-
Credit loss expense		-	-	-	-	-	-	-
Depreciation and amortization		37,416	10,076,298	980,085	112,594	11,206,393	-	807,220
Donated materials, facilities and services		115,605	837,860	39,971	123,447	1,116,883	1,778	20,271
Federal income tax expense		-	83,383	-	-	83,383	-	7,500
Fees for services		35,695	579,765	3,520,190	79,623	4,215,273	85,585	398,227
Food and beverage cost of sales		-	31,405	-	-	31,405	-	319,231
Gift shop cost of sales		-	21,558	-	-	21,558	-	291,183
Golf course cost of sales		-	130,275	-	-	130,275	-	-
Insurance		-	1,051,035	116,782	-	1,167,817	-	135,572
Interest		3,084	6,511	1,371	457	11,423	-	-
Other operating expenses		110,011	868,301	435,794	32,348	1,446,454	101,267	330,405
Office expenses		169,811	561,010	226,156	155,034	1,112,011	27,623	29,153
Project costs		668,345	1,496,688	5,184	552,219	2,722,436	-	-
Repairs and maintenance		319,741	2,688,006	153,982	-	3,161,729	4,202	350,896
Research and conservation		4,500,353	-	-	-	4,500,353	43,646	25,227
Staff development and travel		240,898	75,281	120,765	4,109	441,053	16,619	12,077
Utilities		-	2,612,204	239,483	26,609	2,878,296	720	366,581
	\$	<u>21,008,758</u>	<u>43,395,703</u>	<u>10,738,487</u>	<u>2,180,792</u>	<u>77,323,740</u>	<u>2,502,305</u>	<u>6,475,825</u>

See accompanying notes to the consolidating financial statements.

Columbus Zoological Park Association and Subsidiaries
Consolidating Statement of Functional Expenses (continued)
Year Ended December 31, 2023
(with Comparative Totals for Year Ended December 31, 2022)

	2023					2022	
	The Wilds			Zoombezi Bay	Eliminations	Consolidated Totals	Consolidated Totals
	Management and General	Fundraising	Total	Management and General			
<u>Supporting Services</u>							
Salaries and wages	\$ 402,036	69,432	4,566,155	3,363,935	-	36,981,167	37,075,823
Fringe benefits and payroll taxes	145,995	24,301	1,285,577	885,715	-	11,337,100	9,976,435
Contracted operations	-	-	-	-	(809,105)	-	-
Advertising and promotion	-	-	134,390	939,792	-	2,468,882	1,808,913
Animal care and acquisitions	-	-	258,789	-	-	2,915,097	2,857,659
Credit loss expense	-	-	-	-	-	-	366,667
Depreciation and amortization	89,691	-	896,911	2,297,902	-	14,401,206	14,496,355
Donated materials, facilities and services	-	510	22,559	-	-	1,139,442	1,063,905
Federal income tax expense	-	-	7,500	-	-	90,883	394,895
Fees for services	125,755	-	609,567	2,015,099	(1,740,200)	5,099,739	4,922,560
Food and beverage cost of sales	-	-	319,231	-	-	350,636	5,058,696
Gift shop cost of sales	-	-	291,183	-	-	312,741	3,191,263
Golf course cost of sales	-	-	-	-	-	130,275	329,500
Insurance	15,064	-	150,636	188,744	-	1,507,197	1,426,062
Interest	-	-	-	450,074	-	461,497	502,124
Other operating expenses	29,018	21,297	481,987	997,725	(300,000)	2,626,166	2,528,002
Office expenses	51,335	12,586	120,697	45,651	-	1,278,359	1,225,857
Project costs	-	-	-	-	(50,000)	2,672,436	1,760,144
Repairs and maintenance	-	-	355,098	663,036	-	4,179,863	4,516,287
Research and conservation	-	-	68,873	-	(2,547,569)	2,021,657	1,328,373
Staff development and travel	7,631	-	36,327	6,442	-	483,822	317,830
Utilities	40,865	-	408,166	738,613	-	4,025,075	3,859,649
	<u>\$ 907,390</u>	<u>128,126</u>	<u>10,013,646</u>	<u>12,592,728</u>	<u>(5,446,874)</u>	<u>94,483,240</u>	<u>99,006,999</u>

See accompanying notes to the consolidating financial statements.

Columbus Zoological Park Association and Subsidiaries
Consolidating Statement of Cash Flows
Year Ended December 31, 2023
(with Comparative Totals for Year Ended December 31, 2022)

	2023					2022
	Columbus Zoo	The Wilds	Zoombezi Bay	Eliminations	Totals	Totals
Cash flows from operating activities:						
Change in net assets	\$ 14,261,266	1,754,054	(1,323,026)	-	14,692,294	13,684,190
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:						
Depreciation and amortization	11,206,393	896,911	2,297,902	-	14,401,206	14,496,355
Credit loss (recovery) expense	(50,000)	(83,334)	-	-	(133,334)	366,667
Net realized and unrealized (gain) loss on investments	(3,700,964)	5,589	-	-	(3,695,375)	2,695,072
Change in value of life insurance policy	13,934	-	-	-	13,934	18,117
Change in value of franchise fees	12,857	-	-	-	12,857	-
(Gain) loss on disposal of asset	2,313	-	4,519	-	6,832	(14,147)
Contributions restricted for long-term investment	-	(10,000)	-	-	(10,000)	(10,000)
Donated stock	(37,907)	-	-	-	(37,907)	(117,168)
In kind donation of property and equipment	-	-	-	-	-	(6,000)
Non-cash lease expense	5,116	-	-	-	5,116	(1,868)
(Gain) loss on interest rate swap agreement	-	-	267,076	-	267,076	(1,578,382)
Effects of change in operating assets and liabilities:						
Accounts receivable	6,053,436	439,235	(1,764,206)	1,376,388	6,104,853	(12,823,033)
Promises to give	913,138	75,521	-	-	988,659	3,023,096
Prepaid expenses	323,697	(65,802)	(48,014)	-	209,881	(528,296)
Inventory	1,000,482	(39,165)	100,482	-	1,061,799	(21,938)
Deferred tax	-	-	240,000	-	240,000	350,000
Accounts payable	3,665,711	(76,991)	(341,207)	(1,376,388)	1,871,125	(365,592)
Accrued expenses	586,148	70,250	32,780	-	689,178	(1,069,501)
Deferred revenue	(1,282,818)	(184,158)	(58,590)	-	(1,525,566)	635,002
Wage continuation	29,536	-	-	-	29,536	(29,536)
Net cash flows from operating activities	<u>33,002,338</u>	<u>2,782,110</u>	<u>(592,284)</u>	<u>-</u>	<u>35,192,164</u>	<u>18,703,038</u>

See accompanying notes to the consolidating financial statements.

Columbus Zoological Park Association and Subsidiaries
Consolidating Statement of Cash Flows (continued)
Year Ended December 31, 2023
(with Comparative Totals for Year Ended December 31, 2022)

	2023				2022	
	Columbus Zoo	The Wilds	Zoombezi Bay	Eliminations	Consolidated Totals	Consolidated Totals
Cash flows from investing activities:						
Purchase of property and equipment	(9,990,031)	(985,737)	(734,417)	-	(11,710,185)	(7,390,576)
Proceeds from sale of property and equipment	46,544	-	-	-	46,544	17,737
Payments made for intellectual property	(150,000)	-	-	-	(150,000)	(150,000)
Contribution to subsidiary	(3,000,000)	-	-	3,000,000	-	-
Proceeds from sales and maturities of investments	14,912,542	-	-	-	14,912,542	8,635,051
Purchases of investments	(38,445,943)	-	-	-	(38,445,943)	(9,683,779)
Net cash flows from investing activities	<u>(36,626,888)</u>	<u>(985,737)</u>	<u>(734,417)</u>	<u>3,000,000</u>	<u>(35,347,042)</u>	<u>(8,571,567)</u>
Cash flows from financing activities:						
Principal payments on notes payable	-	-	(1,100,000)	-	(1,100,000)	(1,100,000)
Additional members' equity	-	-	3,000,000	(3,000,000)	-	-
Proceeds from contributions restricted to endowment	-	10,000	-	-	10,000	10,000
Net cash flows from financing activities	<u>-</u>	<u>10,000</u>	<u>1,900,000</u>	<u>(3,000,000)</u>	<u>(1,090,000)</u>	<u>(1,090,000)</u>
Net change in cash	(3,624,550)	1,806,373	573,299	-	(1,244,878)	9,041,471
Cash and cash equivalents beginning of year	<u>63,606,284</u>	<u>5,364,093</u>	<u>1,324,926</u>	<u>-</u>	<u>70,295,303</u>	<u>61,253,832</u>
Cash and cash equivalents at end of year	<u>\$ 59,981,734</u>	<u>7,170,466</u>	<u>1,898,225</u>	<u>-</u>	<u>69,050,425</u>	<u>70,295,303</u>
<u>Supplemental Disclosure of Cash Flow Information</u>						
Interest paid	<u>\$ 11,423</u>	<u>-</u>	<u>452,569</u>	<u>-</u>	<u>463,992</u>	<u>496,601</u>
Taxes paid	<u>\$ 146,877</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>154,377</u>	<u>394,895</u>

See accompanying notes to the consolidating financial statements.

1. NATURE AND SCOPE OF BUSINESS:

The consolidating financial statements of the Columbus Zoological Park Association and Subsidiaries include the following entities, collectively referred to as the Association:

The Columbus Zoological Park Association (the Zoo) was organized in 1930 as a not-for-profit organization. The functions of the Zoo are to provide appropriate care for wildlife including threatened and endangered species, provide conservation education programs to the community, conduct local, regional and global conservation science, and offer family recreation opportunities. The Zoo funds are utilized for these functions.

The International Center for the Preservation of Wild Animals, Inc. (The Wilds) is a not-for-profit organization founded in 1984. The function of The Wilds is to provide appropriate care for wildlife including threatened and endangered species, specifically those that require large, natural spaces and herd numbers, to provide conservation education programs to the community, conduct local, regional, and global conservation science, train the next generation of conservation scientists, and provide family recreation opportunities. Cumberland Bison, LLC is a not-for-profit organization that manages bison herds. The Wilds is the sole member of Cumberland Bison, LLC. Generally accepted accounting principles in the United States of America require consolidating financial statements when one organization exerts control over another organization. The financial statements of Cumberland Bison, LLC have been consolidated with those of The Wilds. The effects of all intercompany transactions have been eliminated.

Zoombezi Bay, LLC (Zoombezi Bay) is a for profit Ohio limited liability company organized on October 13, 2006. Zoombezi Bay renovated and expanded an acquired water park and made significant improvements to create a water park featuring water slides, a wave pool, action river, private cabanas, an interactive water area for toddlers, and a multi-level play structure incorporating slides, a net climb, activity pool, and a 1,000-gallon tipping water bucket.

The Activities of the Association are administered by its Board of Trustees. Pursuant to the revised Code of Regulations, approved by Franklin County and the City of Columbus in March 2023, the Board of the Zoo shall consist of not fewer than eight (8) and not more than nineteen (19) persons. There shall be four (4) members of the Board appointed by the Franklin County Board of Commissioners and four (4) members appointed by the City of Columbus by its Mayor and with the concurrence of City Council.

Franklin County (the County) voters renewed a .75 mill levy that began in 2016 to support the Zoo. This levy runs for ten years and expires in 2025. The levy generated approximately \$20,000,000 in both 2023 and 2022.

By contract with the City of Columbus (the City), the Association has agreed to undertake the operation, management and development of the Columbus Zoo and Aquarium. This contract is effective through December 31, 2037 unless canceled by either the City or the Association prior to that time.

All material related party balances and transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of presentation

The consolidating financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The Association is required to report information regarding its financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the Board of Trustees.
- *Net asset with donor restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions that are likely to be met by the actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity and only the related investment income is without donor restriction.

New accounting standards

The Association adopted FASB Accounting Standards Update (ASU) 2016-13, Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, on January 1, 2023. Topic 326 modifies the measurement of expected credit losses on certain financial instruments. The Association adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Association's consolidating financial statements but did change how the allowance for credit losses is determined.

Reclassifications

Certain reclassifications were made to the 2022 financial statements to make them conform to the 2023 presentation.

Cash and cash equivalents

For purposes of the statements of cash flows, the Association considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts receivable and allowance for credit losses

The Association grants credit to corporations and organizations located primarily in central Ohio and surrounding regions. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for credit loss expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased.

Promises to give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value. Conditional promises to give are recognized when the conditions on which they depend are met.

Inventory

Inventory is determined by physical count and is priced at the lower of cost or net realizable value. Cost has been determined using the first-in, first-out method.

Investments

Investments in publicly traded securities are reflected in the consolidating financial statements at fair value based on quoted market prices. Investment funds managed by the Commonfund contain commingled trusts, which are not listed on national markets or over-the-counter markets for which quoted market prices are readily available. Management estimates the fair value of their investments in commingled trusts based on the net asset values (NAV). The net asset values are provided by the fund administrator and may include information based on historical cost appraisals, obtainable prices for similar assets, or other estimates. Investments in private investment companies are valued at the latest net asset value made available by the fund manager or administrator prior to the valuation date, which is believed to approximate fair market value.

Derivative financial instruments

The Association recognizes the derivative financial instruments (interest rate swaps) as either an asset or liability at fair value (Note 9) on the consolidating statement of financial position with the changes in the fair value reported in the consolidating statement of activities.

Property and equipment

Property and equipment are recorded at cost and include additions and improvements that extend the useful lives of assets. Depreciation is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the term of the lease. It is the Zoo's policy to capitalize expenditures for items in excess of \$7,500. It is The Wilds' and Zoombezi Bay's policy to capitalize expenditures for items in excess of \$5,000. Property and equipment donated to the Association is recorded at the fair value at the date of the gift. All repairs and maintenance are expensed in the period incurred.

Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets as follows:

Machinery and equipment	5-15 years
Rides and attractions	7-20 years
Buildings and building, land and lease improvements	5-30 years

A portion of the land and buildings located at the Zoo are the property of the City of Columbus and Franklin County and are not included in these consolidating financial statements. Improvements prior to 1991 were expensed as incurred due to the Zoo operating under a month-to-month lease with the City of Columbus. Subsequent to 1991, building acquisitions are recorded as leasehold improvements.

A parcel of land encompassing 140 acres of the Zoo property and parking lot is being donated through a lease with the City of Columbus. The fair value of this lease donation is \$478,121 in 2023 and \$449,330 in 2022 and is included in donated materials, facilities and services in the consolidating statement of activities.

A parcel of land encompassing 117 acres of the golf course property is being donated through a lease with the City of Columbus. The fair value of this lease donation is \$399,709 in 2023 and \$375,640 in 2022 and is included in donated materials, facilities and services in the consolidating statement of activities.

The Association reports gifts of land, buildings, and equipment as net assets without donor restrictions support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as net assets with donor restrictions support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Zoological collection

Animal transactions that involve cash are recorded as income or expense on the accrual basis of accounting in the period the animal was shipped or received, while transactions that do not involve cash are necessarily excluded. The value of the zoological collection is not carried as an asset on the consolidating statements of financial position of the Association.

Recognition of donor restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated materials, facilities and services

Significant materials, facilities and services are donated to the Association by various individuals and organizations. Donated materials are recorded at fair value at the date of donation and have been included in revenue and expenses for the respective years. Approximately 117,400 and 94,500 hours of donated services were received by the Zoo in 2023 and 2022, respectively, but were not recognized in the consolidating financial statements because they did not meet the criteria for recognition under FASB Accounting Standards Codification relating to revenue recognition by non-profit organizations.

Revenue recognition

The Zoo derives revenue from customers for admissions, memberships, sponsorships, attractions, parking, programs, commissions, a portion of special events, gift certificates and other. These revenues are recognized when control of these products or services is transferred to its customers and members, in an amount that reflects the consideration the Zoo expects to be entitled to in exchange for those products and services. Incidental items that are immaterial in the context of the contracts are recognized as expense. The Zoo does not have any significant financing components as payment is received at or shortly after the point of sale. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year.

Special events revenue includes both contract revenue and a contribution component. The portion of the gross proceeds paid by the participant that represents payment for the direct cost of the benefits received by the participant at the event is the contract revenue. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Zoo. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. Special event fees collected by the Zoo in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after delivery of the event.

Revenue from performance obligations satisfied at a point in time consists of admissions, attractions, parking, programs, commissions, a portion of special events and other. Admissions and parking are recognized at the time the visitation takes place. Revenue from commissions and attractions is recognized upon delivery of the goods or services. Revenue from programs and special events is generally recognized at the time the program or event takes place.

Revenue from performance obligations satisfied over time consists of memberships and sponsorship revenue. Members pay the contract amount in full at the time of purchase. Membership fees are non-refundable and are recognized as revenue ratably over the term of the one-year membership. Sponsorship revenue is recognized over the term of the contract.

Deferred revenue related to the advance consideration received from sponsorships, program fees, membership dues and gift certificates. Contract assets and liabilities of the Zoo consist of \$2,863,781 in accounts receivable and \$9,102,392 in deferred revenue as of January 1, 2022. Contract assets and liabilities of The Wilds consist of \$47,743 in accounts receivable and \$1,003,667 in deferred revenue as of January 1, 2022.

Prior year contract liabilities recognized by the Zoo in the years ended December 31, 2023 and 2022 were \$9,493,257 and \$9,102,392, respectively. Prior year contract liabilities recognized by The Wilds in the years ended December 31, 2023 and 2022 were \$1,213,600 and \$1,003,667, respectively.

Zoombezi Bay derives its revenues primarily from admission into the park. For season passes, Zoombezi Bay recognizes revenue over the corresponding season. Revenues are presented net of sales taxes collected from guests and remitted to taxing authorities. Food, beverage, gift and souvenir sales are recognized at the point and time that control over the product is transferred to the customer.

The Wilds derives its revenue primarily from park admissions and memberships. Revenues are recognized as goods and services are transferred to its customers, in an amount that reflects the consideration The Wilds expects to be entitled to in exchange for those products and services. Sales tax and other taxes The Wilds collects concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as expense. The Wilds does not have any significant financing components as payment is received at or shortly after the point of sale.

Direct related activities (gift shop and food service sales) earned by The Wilds are based on the satisfaction of performance obligations at a point in time. Revenue from performance obligations satisfied at a point in time are recognized when control transfers to the customer. Revenues are earned based on contracted sales prices. The Wilds transfers control and records revenue for product sales upon transfer of the product to the customer.

Membership dues are earned by The Wilds based on the satisfaction of performance obligations over time. Revenue from performance obligations satisfied over time are recognized using the output method. Under this method, The Wilds measured completion of the total performance obligation as time elapses because the members are granted access to The Wilds on an ongoing basis.

The Wilds also receives revenue from government and other grants and contributions from individuals and corporations. Revenue from grants received by The Wilds is only recognized after the terms of the grant have been met and related expenditure of funds has been made if the grant meets the requirements of a conditional contribution. Revenue from grants that meet the requirements of a contribution is recognized when the unconditional commitment is made by the grantor.

The following table disaggregates the Association's revenue based on the timing of satisfaction of performance obligations for the years ended 2023 and 2022:

	2023				2022	
	Columbus Zoo	The Wilds	Zoombezi Bay	Eliminations	Total	Total
Revenue from:						
Performance obligations satisfied at a point in time	\$ 39,370,722	6,754,939	10,026,119	(2,549,305)	53,602,475	67,694,291
Performance obligations satisfied over time	<u>15,135,332</u>	<u>542,434</u>	<u>1,696,183</u>	<u>-</u>	<u>17,373,949</u>	<u>16,774,000</u>
	<u>\$ 54,506,054</u>	<u>7,297,373</u>	<u>11,722,302</u>	<u>(2,549,305)</u>	<u>70,976,424</u>	<u>84,468,291</u>

Income taxes

Zoombezi Bay, with the consent of its stockholder, has elected under the Internal Revenue Code to be a C-corporation. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Zoombezi Bay is subject to certain state and local income taxes, therefore, a provision for state and local income taxes has been included in these financial statements.

Advertising expenses

The Association's policy is to expense advertising costs as the costs are incurred.

Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation, insurance, utilities, and a portion of staff salaries; all of which were allocated based upon management's estimated use of these items.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidating financial statements and the reported

amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

The Association considers an arrangement a lease if, at inception, the arrangement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Under leasing standards, control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use (ROU) assets, current portion of operating lease obligation, and operating lease obligation on the consolidating statement of financial position.

The lease term reflects the noncancellable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option.

The Association uses the risk-free rate for a period of time similar to the lease term, determined at the lease commencement date, in determining the present value of lease payments. The risk-free rate is used as the information necessary to determine the rate implicit in the lease and the Association's incremental borrowing rate is not readily available. The Association has lease agreements with lease and non-lease components, which are generally accounted for as a single lease. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Short-term leases are less than one year without purchase or renewal options that are reasonably certain to be exercised and are recognized on a straight-line basis over the lease term. The right-of-use asset is tested for impairment.

Subsequent events

The Association evaluates events and transactions occurring subsequent to the date of the consolidating financial statements for matters requiring recognition or disclosure in the consolidating financial statements. The accompanying consolidating financial statements consider events through June 27, 2024, the date on which the consolidating financial statements were available to be issued.

3. ACCOUNTS RECEIVABLE:

Accounts receivable at December 31, 2023 and 2022 are summarized as follows:

	2023				2022
	Columbus Zoo	The Wilds	Zoombezi Bay	Total	Total
Admissions and concessions	\$ 224,849	-	-	224,849	672,382
Franklin County levy	6,483,515	-	-	6,483,515	13,011,370
Other	2,142,790	636,326	12,538	2,791,654	1,921,119
	8,851,154	636,326	12,538	9,500,018	15,604,871
Less: allowance for credit losses	(150,000)	(83,333)	-	(233,333)	(366,667)
	\$ 8,701,154	552,993	12,538	9,266,685	15,238,204

Columbus Zoological Park Association and Subsidiaries
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The Association had the following activity for its allowance for credit losses for accounts receivable for the year ended December 31, 2023:

	Columbus Zoo	The Wilds	Zoombezi Bay	Total
Beginning balance	\$ 200,000	166,667	-	366,667
Adjustment to loss provision	<u>(50,000)</u>	<u>(83,334)</u>	<u>-</u>	<u>(133,334)</u>
	<u>\$ 150,000</u>	<u>83,333</u>	<u>-</u>	<u>233,333</u>

4. PROMISES TO GIVE:

The Association's promises to give at December 31, 2023 and 2022 are due as follows:

	2023				2022
	Columbus Zoo	The Wilds	Zoombezi Bay	Total	Total
Less than one year	\$ 3,088,073	76,000	-	3,164,073	2,996,663
One to five years	2,227,500	-	-	2,227,500	3,444,677
More than five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	5,315,573	76,000	-	5,391,573	6,441,340
Less: Present value discount of 3%	<u>(55,804)</u>	<u>(2,214)</u>	<u>-</u>	<u>(58,018)</u>	<u>(119,126)</u>
	<u>\$ 5,259,769</u>	<u>73,786</u>	<u>-</u>	<u>5,333,555</u>	<u>6,322,214</u>

5. INVENTORY:

Inventory at December 31, 2023 and 2022 is summarized as follows:

	2023				2022
	Columbus Zoo	The Wilds	Zoombezi Bay	Total	Total
Animal food	\$ 204,575	-	-	204,575	193,548
Fuel oil and gasoline	6,332	5,999	-	12,331	16,762
Warehouse	45,783	-	-	45,783	-
Gift shop merchandise	-	124,623	-	124,623	882,723
Pro shop, restaurant and concession merchandise	40,169	17,345	-	57,514	424,680
Uniforms	<u>-</u>	<u>-</u>	<u>28,900</u>	<u>28,900</u>	<u>17,812</u>
	<u>\$ 296,859</u>	<u>147,967</u>	<u>28,900</u>	<u>473,726</u>	<u>1,535,525</u>

6. LAND DONATION:

The Wilds received a donation of 9,119 acres of land in southeastern Ohio to be used as the location for the wild animal refuge and park. This donation was received in two segments, 5,892 reclaimed acres were deeded to The Wilds on June 27, 1989. The 5,892 acres were recorded at their total appraised value at the date of the donation (\$300 per acre). On April 1, 2005, an additional 3,227 acres were deeded to The Wilds. This land donation was recorded at the appraised value of the land on April 1, 2005, \$5,392,223 (\$1,671 per acre). Both conveyances of land to The Wilds included a clause that stated the donor of the land would retain all mineral and mining rights in perpetuity and retain ownership of all leases, easements and permits. The Wilds sold 2,033 of the 9,119 acres to the Columbus Zoological Park Association. See disclosure of The Wilds' relationship with the Columbus Zoological Park Association (Note 26).

7. INVESTMENTS AND BENEFICIAL INTEREST:

The Association invests available cash pursuant to investment guidelines established by the Board of Trustees. At December 31, 2023 and 2022 investments are summarized as follows:

	Consolidated Totals	
	2023	2022
U.S. Treasury notes	\$ 14,497,617	-
Fixed income corporate bonds	14,996,187	4,215,134
Beneficial interest in assets held by others	1,067,816	987,302
Common stock	819	-
Funds managed by Commonfund:		
Commingled equity funds	13,161,104	11,787,069
Commingled fixed income funds	5,879,202	6,056,688
Commingled real asset funds	1,218,571	945,024
Alternative investment funds:		
Commingled hedge funds	3,432,341	3,450,565
Investment in limited liability company	823,882	1,144,554
Investment in limited partnerships	10,461,071	9,685,591
	\$ 65,538,610	38,271,927

Beneficial interest in assets held by others are funds held by the Columbus Foundation and the Muskingum County Community Foundation (collectively, the Foundations). These funds are subject to the variance power of the Board of Trustees of the Foundations. The variance power permits the Foundations' Board of Trustees, in its sole discretion, to redirect all or part of the funds' income and/or assets to another organization.

8. FUNDS HELD BY THE MUSKINGUM COUNTY COMMUNITY FOUNDATION:

The Wilds is a beneficiary of multiple funds held at the Muskingum County Community Foundation (the Community Foundation). The Community Foundation has been granted variance power over all of these funds which permits the Community Foundation's Board of Trustees, in its sole discretion, to redirect all or part of the funds' income and/or assets to another organization. Under accounting principles generally accepted in the United States of America, when a donor gives assets to an organization ("recipient entity") to be held and used for the benefit of another unaffiliated beneficiary, but explicitly grants the recipient entity variance power, the specified unaffiliated beneficiary should not recognize its potential for future distributions from the assets held by the recipient entity until such distributions are received, at which time the distributions should be recognized as contributions by the beneficiary. One exception to the variance power rule occurs when an entity transfers assets to a recipient entity and specifies itself as the beneficiary. Because of the reciprocal nature, that transfer is not considered a contribution so the transferring entity or beneficiary continues to show the assets in its financial statements.

The William J. Williams Fund was established within the Community Foundation with contributions received by The Wilds. The fair value of the funds held at the Community Foundation was \$112,367 and \$117,956 at December 31, 2023 and 2022, respectively. These funds are recorded as "beneficial interest in assets held by others" on the consolidating statements of financial position because they were originally transferred to the Community Foundation by The Wilds for the benefit of itself.

Three other funds have been established within the Community Foundation with net income (interest and dividends less fees) or a portion of the available balance to be distributed annually to The Wilds for unrestricted use. Because the donors granted the Community Foundation variance power, these funds are not included in the consolidating financial statements. The fair value of these funds held at the Community Foundation was \$213,721 and \$264,525 at December 31, 2023 and 2022, respectively. The Wilds recognized total contribution revenue of \$3,812 and \$3,684 in 2023 and 2022, respectively, from these funds.

9. FAIR VALUE MEASUREMENTS:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Association has the ability to access at the measurement date.
- Level 2 inputs (other than quoted prices included within Level 1) are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following are descriptions of the valuation methodologies used for assets measured at fair value. Significant transfers between the fair value levels are determined at the end of the reporting period. There were no significant transfers between fair value levels in 2023 or 2022.

- *U.S. Treasury notes / corporate bonds* – Valuation is determined using quoted prices for identical or similar assets in active markets, with additional consideration to contractual cash flows, benchmark yields and credit spreads.
- *Beneficial interest in assets held by others* – Valuation is determined by the underlying interest in funds held by the Columbus Foundation and the Muskingum County Community Foundation, which are primarily invested in marketable securities with quoted market prices, without management adjustment.
- *Funds managed by Commonfund* – Valuation is determined using the NAV as reported by Commonfund, manager of the funds. These assets have not been categorized in the fair value hierarchy. The fair value amounts presented are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statement of financial position.

Assets measured at fair value on a recurring basis at December 31, 2023 were as follows:

	Total	Level 1	Level 2	NAV
Columbus Zoo				
U.S. Treasury notes	\$ 14,497,617	14,497,617	-	-
Fixed income corporate bonds	14,996,187	14,996,187	-	-
Common stock	819	819	-	-
Beneficial interest in assets held by others:				
Equity funds	955,449	-	955,449	-
Funds managed by Commonfund:				
Commingled equity funds	13,161,104	-	-	13,161,104
Commingled fixed income funds	5,879,202	-	-	5,879,202
Commingled real asset funds	1,218,571	-	-	1,218,571
Alternative investment funds:				
Commingled hedge funds	3,432,341	-	-	3,432,341
Investment in limited liability company	823,882	-	-	823,882
Investment in limited partnerships	10,461,071	-	-	10,461,071
	\$ 65,426,243	29,494,623	955,449	34,976,171

Columbus Zoological Park Association and Subsidiaries
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	Total	Level 1	Level 2	NAV
The Wilds				
Beneficial interest in assets held by others:				
Equity funds	\$ <u>112,367</u>	<u>-</u>	<u>112,367</u>	<u>-</u>

Zoombezi Bay				
Interest rate swap	\$ <u>614,128</u>	<u>-</u>	<u>614,128</u>	<u>-</u>

Assets measured at fair value on a recurring basis at December 31, 2022 were as follows:

	Total	Level 1	Level 2	NAV
Columbus Zoo				
Fixed income corporate bonds	\$ 4,215,134	4,215,134	-	-
Beneficial interest in assets held by others:				
Equity funds	869,346	-	869,346	-
Funds managed by Commonfund:				
Commingled equity funds	11,787,069	-	-	11,787,069
Commingled fixed income funds	6,056,688	-	-	6,056,688
Commingled real asset funds	945,024	-	-	945,024
Alternative investment funds:				
Commingled hedge funds	3,450,565	-	-	3,450,565
Investment in limited liability company	1,144,554	-	-	1,144,554
Investment in limited partnerships	<u>9,685,591</u>	<u>-</u>	<u>-</u>	<u>9,685,591</u>
	<u>\$ 38,153,971</u>	<u>4,215,134</u>	<u>869,346</u>	<u>33,069,491</u>

The Wilds				
Beneficial interest in assets held by others:				
Equity funds	\$ <u>117,956</u>	<u>-</u>	<u>117,956</u>	<u>-</u>

Zoombezi Bay				
Interest rate swap	\$ <u>881,204</u>	<u>-</u>	<u>881,204</u>	<u>-</u>

Certain investments are commingled funds held and managed by Commonfund. The investment objective of these funds are as follows:

- The commingled equity funds consist of two funds: (1) Fidelity 500 Index Fund and (2) Commonfund OCIO Global Equity LLC Fund, both of which attempt to approximate, before expenses, the performance of the S&P 500 Index over the long term. The redemption frequency of these funds is monthly, with five business days' notice.

- The commingled fixed income funds consist of five funds: (1) CF Credit Series, an investment program consisting of fixed income credit securities that seeks to produce total returns in excess of its benchmark. The redemption frequency of this fund is 15% of NAV monthly, with five business days' notice or any amount with 90 calendar days' notice. (2) CFI High Quality Bond Fund, which invests in investment grade bonds and other fixed income securities in an attempt to outperform the U.S. Bond market. The redemption frequency of this fund is weekly or monthly, with five business days' notice. (3) City National Bank DOA, which can be redeemed daily. (4) City National Rochdale Government MM Fund, which seeks an investment return that approximates the performance of its benchmark index (Bloomberg U.S. Aggregate Bond Index) over the long term. The redemption frequency of this fund is daily, with two business days' notice. (5) Fidelity U.S. Bond Index Fund, which seeks to provide investment results that correspond to the aggregate price and interest performance of the debt securities of its benchmark. The redemption frequency of this fund is daily, with one business days' notice.
- The commingled real asset funds consists of two funds: (1) CF Reit Portfolio, LLC Fund, which seeks to provide a net rate of return in excess of its benchmark by allocating capital to experienced external investment managers. The redemption frequency of this fund is monthly, with 5 business days' notice. (2) GMO Resources Class R6 Fund, which is managed using an "indexing" investment approach, by which it seeks to replicate, before expenses, the performance of its benchmark index over the long term. The redemption frequency of this fund is daily, with two business days' notice.
- The commingled hedge funds consist of one fund, Global Absolute Alpha Company, that seeks to provide investors with long-term returns over a full market cycle that are favorable to capital, equity and credit markets on a risk-adjusted basis. The redemption frequency of this fund is quarterly, with 65 calendar days' notice (limited to 25% of NAV per quarter).

At December 31, 2023, the Association is committed to invest an additional \$4,052,217 of funds in their alternative investments with private investment companies. The Association cannot withdraw from the partnership investments prior to their termination, pursuant to the partnership agreements. The Zoo can withdraw from the limited liability company with 120 days' notice.

10. OTHER ASSETS:

In 2017, the Zoo entered into a license agreement with its retired Director Emeritus. The agreement provides the Zoo with irrevocable, perpetual rights to the name, image and likeness of its Director Emeritus. This license agreement created an intellectual property asset with a value of \$1,374,336. Intellectual property is amortized to match the net present value of the liability over a useful life of 10 years. Intellectual property, net of accumulated amortization, is included in other assets on the statements of financial position. Amortization of intellectual property for the years ended December 31, 2023 and 2022 was \$138,577 and \$135,860, respectively. Accumulated amortization of intellectual property was \$941,754 and \$803,177 at December 31, 2023 and 2022, respectively.

Future amortization expense is as follows:

Year Ending:	Amount
2024	\$ 141,348
2025	144,175
2026	147,059
	\$ 432,582

11. PROVISION FOR INCOME TAXES:

The Zoo and The Wilds are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code except that Federal income tax is provided on unrelated business income. Unrelated business income results from operation of a gift shop, recreational facility, amusement rides area, unrelated parking area, unrelated catering revenue, exclusive provider contract revenue, rent income from a related party and management services provided to a related party. Income tax expense for the Association on unrelated business income was \$154,377 and \$394,895 for the years ended December 31, 2023 and 2022, respectively. The Association does not believe its consolidating financial statements include any uncertain tax positions.

Zoombezi Bay elected to be treated as a C-corporation for Federal income tax purposes. The operations are taxable for Federal income tax purposes. Deferred tax assets and liabilities are recognized for the temporary differences between the financial statements and the tax basis of assets and liabilities at the enacted tax rates expected to be in effect when such amounts are realized and settled. The effective tax rate used to calculate deferred taxes was 21% in 2023 and 2022. The principal items causing the differences are depreciation, a net operating loss carryforward and an interest rate swap. Income tax expense is the amount payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities. Deferred tax assets and liabilities are classified as long-term based on ASU 2015-17, Income Taxes (Topic 740): *Balance Sheet Classification of Deferred Taxes*.

Provision for federal income taxes is summarized as follows:

	2023	2022
Current Federal tax expense (benefit)	\$ <u>240,000</u>	<u>350,000</u>

The components of the deferred tax asset (liability) are as follows:

	2023	2022
Deferred tax asset:		
Net operating loss carryforward	\$ 1,584,000	1,589,000
Accrued interest rate swap	129,000	185,000
Deferred tax liability:		
Accumulated depreciation	(2,994,000)	(2,815,000)
Net deferred tax liability	\$ (1,281,000)	(1,041,000)

Zoombezi Bay has a Federal net operating loss available for carryforward to future years. The estimated Federal loss carryforward is \$7,543,373, which will begin to expire in 2028.

12. ACCRUED OTHER:

The Association has an employment agreement with its retired Director Emeritus. The agreement provides for the Association to pay life insurance policy premiums on behalf of its retired Director Emeritus. One term life policy continues through December 31, 2024. As part of an agreement amendment effective December 31, 2022, the Association is no longer responsible for two other permanent life policies. The benefits of the policies will be paid to the heirs of the retired Director Emeritus. The obligation for this agreement, based on current life expectancy tables, is reported as a liability of \$0 and \$30,450 on the statements of financial position at December 31, 2023 and 2022, respectively. The change in the liability associated with this agreement is reflected as income of \$30,450 and \$673,866 in support services – management and general expenses in the statements of activities for the years ended December 31, 2023 and 2022, respectively.

13. DEFERRED REVENUE:

Deferred revenue, which is considered a contract liability, consists of the following at December 31, 2023 and 2022:

	2023				2022
	Zoombezi				
	Columbus Zoo	The Wilds	Bay	Total	Total
Membership dues	\$ 6,808,463	202,743	214,373	7,225,579	6,558,089
Sponsorships	292,854	-	-	292,854	2,415,612
Deposits and program fees for future events	1,058,521	423,135	-	1,481,656	1,573,128
Gift certificates	50,601	403,564	-	454,165	432,991
	\$ 8,210,439	1,029,442	214,373	9,454,254	10,979,820

14. WAGE CONTINUATION AGREEMENT:

The Association has a wage continuation agreement with its former Executive Director. The agreement provides for 10 annual installments to the heirs of the former Executive Director upon his death. The obligation for this agreement, based on current life expectancy tables, is reported as a liability of \$873,434 and \$843,898 on the statements of financial position at December 31, 2023 and 2022, respectively. The change in the liability associated with this agreement is reflected as expense of \$29,536 and income of \$29,536 in the statements of activities for the years ended December 31, 2023 and 2022, respectively. The Association has purchased a life insurance policy to fund this obligation. The death benefit is \$1,000,000.

15. LINES OF CREDIT:

The Wilds had a line of credit secured by The Wilds' assets that allowed for a maximum borrowing of \$2,000,000. Interest on this line was at term SOFR plus 1.32%. The Wilds was required to make monthly interest payments, and the principal balance was due July 14, 2023. The Zoo was a guarantor of this line of credit. At December 31, 2023, there was no outstanding balance as the line of credit was not renewed (At December 31, 2022, the outstanding balance under this line of credit was \$0). The line of credit was subsequently renewed in 2024.

The Zoo had a line of credit that allowed for a maximum borrowing of \$15,000,000. Interest on the line was at term SOFR plus 1.17%, and the principal balance was due July 14, 2023. At December 31, 2023, there was no outstanding balance as the line of credit was not renewed (At December 31, 2022, the outstanding balance under this line of credit was \$0). The line of credit was subsequently renewed in 2024.

16. NOTES PAYABLE:

Zoombezi Bay was indebted under the following notes payable at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Fifth Third Bank - draw/term note payable entered into on December 31, 2013. Monthly principal payments of \$64,167 plus interest at a rate of SOFR plus 0.11%: 5.49% at December 31, 2023 and 1 month LIBOR plus 1.25%: 5.65% at December 31, 2022. Final payment is due June 30, 2029.	\$ 8,470,000	9,240,000
Fifth Third Bank - draw/term note payable entered into on December 31, 2013. Monthly principal payments of \$27,500 plus interest at a rate of SOFR plus 0.11%: 5.49% at December 31, 2023 and 5.65% at December 31, 2022. Final payment is due June 30, 2029.	<u>3,630,000</u>	<u>3,960,000</u>
	<u>\$ 12,100,000</u>	<u>13,200,000</u>

Aggregate annual maturities of notes payable are summarized as follows:

Year Ending:		Amount
2024	\$	1,100,000
2025		1,100,000
2026		1,100,000
2027		1,100,000
2028		1,100,000
Thereafter		<u>6,600,000</u>
	\$	<u>12,100,000</u>

The above loan agreements require the Association to comply with certain financial covenants. The Association was in compliance at December 31, 2023 and 2022.

On June 17, 2019, the Association entered into an interest rate swap with an effective date of June 8, 2019 on an amortizing notional amount of \$17,050,000. The notional amount was \$12,100,000 and \$13,200,000 at December 31, 2023 and 2022, respectively. The swap agreement is a contract to exchange variable interest rate payments for fixed rate payments over the life of the instrument. The purpose of the swap is to limit the Association's exposure to increases in interest rates on the notional amount of bank borrowings over the term of the swap. Under the terms of the swap (which expires June 8, 2029), the Association pays monthly a fixed interest rate of 2.20%. The Association receives monthly the variable interest rate of 1 month LIBOR which was 5.46% and 4.40% at December 31, 2023 and 2022, respectively.

The interest rate swap was issued at market terms so that it had no fair value at inception. The carrying amount of the swap has been adjusted to fair value at December 31, 2023 and 2022, which, because of changes in forecasted levels of the LIBOR rate, resulted in reporting an asset of \$614,128 and \$881,204 at December 31, 2023 and 2022, respectively for the fair value of the future net payments forecasted under the swap. Gain (loss) on the interest rate swap was (\$267,076) and \$1,578,382 for 2023 and 2022, respectively.

17. OPERATING LEASES:

The Zoo has a lease with the City of Columbus and Franklin County for land and buildings. The lease expires on December 31, 2037 and provides for annual rental payments of \$10, the total of which was paid in full at the inception of the lease.

The Zoo also leases various equipment under operating lease arrangements which expire in various years through October 2025.

Zoombezi Bay leases approximately 23 acres of land from the Zoo. The lease expires on December 31, 2037.

As of December 31, 2023, the Association has not entered into any material leases expected to commence in 2024.

For the year ended December 31, 2023, the Association had the following recorded in operating expenses associated with lease arrangements:

	2023			2022	
	Zoombezi				
	Columbus Zoo	Bay	Eliminations	Total	Total
Operating lease expense	\$ 114,303	300,000	(300,000)	114,303	215,401
Variable lease expense	<u>222,597</u>	-	-	<u>222,597</u>	-
	<u>\$ 336,900</u>	<u>300,000</u>	<u>(300,000)</u>	<u>336,900</u>	<u>215,401</u>

Columbus Zoological Park Association and Subsidiaries
Notes to the Consolidating Financial Statements
December 31, 2023 and 2022

	2023		2022	
	Zoombezi		Zoombezi	
	Columbus Zoo	Bay	Columbus Zoo	Bay
Other information:				
Weighted-average remaining lease term in years for operating leases	1.75 years	14 years	2.37 years	15 years
Weighted-average discount rate for operating leases	2.91%	2.05%	1.03%	2.05%

The following is an analysis of maturities of lease liabilities as of December 31:

<u>Year Ending:</u>	2023			
	Zoombezi			Total
	Columbus Zoo	Bay	Eliminations	
2024	\$ 88,658	300,000	(300,000)	88,658
2025	78,849	300,000	(300,000)	78,849
2026	-	300,000	(300,000)	-
2027	-	300,000	(300,000)	-
2028	-	300,000	(300,000)	-
Thereafter	-	2,700,000	(2,700,000)	-
Total minimum lease payments	167,507	4,200,000	(4,200,000)	167,507
Less imputed interest	4,886	548,579	(548,579)	4,886
Total operating lease liability	\$ 162,621	3,651,421	(3,651,421)	162,621

Non-cash lease expense on the statement of cash flows for the Zoo includes the amortization of the lease right-of-use asset of \$108,226 and \$211,366, offset by a change in the lease liability of \$103,110 and \$213,234 for the years ended December 31, 2023 and 2022, respectively.

Zoombezi Bay's lease payments within operating activities were \$300,000 and \$300,801 for the years ended December 31, 2023 and 2022, respectively.

18. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes at December 31, 2023 and 2022:

	2023			2022	
	Columbus Zoo	The Wilds	Zoombezi Bay	Total	Total
Conservation and education projects	\$ 2,875,473	1,799,057	-	4,674,530	4,878,420
Building and exhibit improvements	3,611,667	223,546	-	3,835,213	1,082,452
Earnings on donor restricted endowment funds available for appropriation	-	42,926	-	42,926	26,226
Animal purchases	40,930	-	-	40,930	33,203
Endowment funds	-	250,000	-	250,000	240,000
For subsequent periods	<u>4,493,240</u>	<u>-</u>	<u>-</u>	<u>4,493,240</u>	<u>4,518,404</u>
	<u>\$ 11,021,310</u>	<u>2,315,529</u>	<u>-</u>	<u>13,336,839</u>	<u>10,778,705</u>

19. BOARD DESIGNATED NET ASSETS:

At December 31, 2023 and 2022, board designated net assets were available for the following purposes:

	2023	2022
Endowment	\$ 35,931,620	33,938,836
Conservation funding	<u>1,000,000</u>	<u>-</u>
	<u>\$ 36,931,620</u>	<u>33,938,836</u>

20. ENDOWMENT FUNDS:

The Association's endowment consists of fifteen individual funds established for a variety of purposes. Its endowment includes funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Trustees of the Association has interpreted the State of Ohio's Uniform Prudent Management 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. As a result of this interpretation, the Association classifies as net assets with donor restrictions to be maintained in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the endowment fund with donor restrictions that is not required to be maintained in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the donor-restricted endowment fund
- (2) The purposes of the Association 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 Association
- (7) The investment policies of the Association

Endowment net asset composition by type of fund is as follows at December 31, 2023 and 2022:

	2023	2022
With donor restrictions	\$ 292,927	266,226
Without donor restrictions	35,931,620	33,938,836
	\$ 36,224,547	34,205,062

Changes in endowment net assets for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Endowment net assets at beginning of year		
With donor restrictions	\$ 266,226	278,516
Without donor restrictions	33,938,836	34,830,231
Investment return		
With donor restrictions	16,701	(22,290)
Without donor restrictions	3,415,160	(1,818,355)
Contributions		
With donor restrictions	10,000	10,000
Without donor restrictions	72,119	2,499,352
Appropriation of endowment assets for expenditure		
With donor restrictions	-	-
Without donor restrictions	(1,494,495)	(1,572,392)
Endowment net assets at end of year	\$ 36,224,547	34,205,062

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2023 and 2022.

Return objectives and risk parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Zoo expects its endowment funds, over time, to provide an average rate of return of approximately 6% annually after fees. Actual returns in any given year may vary from this amount. The Wilds endowment assets are invested in a conservative U.S. based money market account to provide fixed returns. The Wilds expects its endowment funds, over time, to provide an average rate of return of approximately 2.5% annually after fees. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and an allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy

The Zoo has a policy of appropriating for distribution each year 4.5% of its endowment fund's total value based upon the trailing 3-year average through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, over the long term, the Association expects the current spending policy to allow its endowment to grow at an average of 1.5% annually. The Wilds has a policy of appropriating for distribution each year the aggregate funding amount utilized to satisfy donor restrictions. These policies are consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

21. CONTRIBUTED NONFINANCIAL ASSETS:

For the years ended December 31, 2023 and 2022, donated materials, facilities and services recognized within the statement of activities included:

	2023				2022		Donor Restrictions	Valuation Techniques and Inputs
	Columbus Zoo	The Wilds	Eliminations	Total	Total	Utilization		
Professional services:								
Zoo property and parking lot	\$ 478,122	-	-	478,122	449,330	Program	No associated donor restrictions	Based on current market rates for services
Golf course property	399,709	-	-	399,709	375,640	Visitor services, management and general	No associated donor restrictions	Based on current market rates for services
Animal care and treatment	115,605	164,592	(162,814)	117,383	46,241	Program	No associated donor restrictions	Based on current market rates for services
Management and general	-	377,054	(377,054)	-	22,603	Management and general	No associated donor restrictions	Based on current market rates for services
Visitor services	-	129,012	(123,254)	5,758	-	Program	No associated donor restrictions	Based on current market rates for services
Exhibits and grounds	-	11,250	-	11,250	-	Program	No associated donor restrictions	Based on current market rates for services
Fundraising	-	94,242	(93,732)	510	4,575	Fundraising	No associated donor restrictions	Based on current market rates for services
Education	-	193,978	(190,715)	3,263	-	Program	No associated donor restrictions	Based on current market rates for services
Donated goods:								
Special events food and beverage	113,579	-	-	113,579	139,499	Fundraising	No associated donor restrictions	Based on current market rates for goods
Office supplies and equipment	-	-	-	-	363	Management and general	No associated donor restrictions	Based on current market rates for goods
Special events prizes and supplies	9,868	-	-	9,868	11,081	Fundraising	No associated donor restrictions	Based on current market rates for goods
Educational supplies and equipment	-	-	-	-	250	Program	No associated donor restrictions	Based on current market rates for goods
Other	-	-	-	-	20,323	Management and general	No associated donor restrictions	Based on current market rates for goods
	\$ <u>1,116,883</u>	<u>970,128</u>	<u>(947,569)</u>	<u>1,139,442</u>	<u>1,069,905</u>			

22. PAYROLL AND RELATED COSTS:

Fringe benefits include all state and federal payroll taxes, retirement cost and group health, dental and life insurance. Association employees earn vacation, sick leave and compensatory pay as they earn their regular salaries and wages. The benefits may be carried over indefinitely, with certain limitations. Upon termination, employees are entitled to payments for amounts earned and not yet received. Approximately 40% of the Zoo's employees are covered by a collective bargaining agreement expiring December 31, 2024.

Discussed in Note 23, the Zoo contributes to OPERS. This system provides post-retirement health care coverage to age and service retirees with 20 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate for 2023 and 2022 was 14% of covered payroll with 0% being the portion used to fund health care for both years.

23. RETIREMENT PLANS:

The Zoo contributes to the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Plan – a defined benefit plan; the Combined Plan – a combination defined benefit/defined contribution plan; and the Member-Directed Plan – a defined contribution plan. OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per chapter 145 of the Ohio Revised Code. OPERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information.

The required employer contributions (percentage of wages earned) vary each year. For the years ending December 31, 2023 and 2022, the contribution percentages ranged between 14% of wages and 23% of wages depending on the hire date of employees. Contributions are required for both full-time and part-time employees. The contribution requirements of plan members and employers are established and may be amended, up to maximum amounts, by the OPERS Board. Total employer contributions for the years ended December 31, 2023 and 2022 were \$3,537,880 and \$3,112,863, respectively.

The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to multi-employer plans by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Zoo chooses to stop participating in some of its multi-employer plans, the Zoo may be required to pay those plans an amount based on the unfunded status of the plan, referred to as a withdrawal liability.

OPERS' 2022 actuarial pension valuation (most recent valuation) showed a funded status of 84% with the unfunded liability expected to be funded within 16 years. This falls within the green zone of the Pension Protection Act zone status (greater than 80% funded).

The Wilds has a defined contribution 401(k) plan. All employees who have attained the age of 21 and who have completed three months of service are eligible to participate in the plan. The Wilds makes matching contributions of 100% of the first 2% of participant's compensation and 25% of the next 6% of participant's compensation. Participants are immediately vested in their contributions and are fully vested in employer matching and discretionary contributions after completing six years of service. Contribution expense was \$37,404 and \$35,345 in 2023 and 2022, respectively.

Zoombezi Bay has established a 401(k) retirement plan for its employees. All employees who have attained the age of 21 and who have completed three months of service are eligible to participate in the plan. Employees may elect to defer a portion of their yearly compensation, up to statutory limits. Zoombezi Bay makes matching contributions equal to 100% of the contributions up to 2% of the employee's compensation and 25% of the next 6% of the employee's compensation. Additional amounts may be contributed to the plan at the discretion of Zoombezi Bay. Participants are immediately vested in their contributions and are fully vested in employer matching and discretionary contributions after completing six years of service. Total expense under the plan was \$19,424 and \$26,878 in 2023 and 2022, respectively.

24. RELATIONSHIP BETWEEN THE ZOO AND ZOOMBEZI BAY:

The Zoo is the sole member of Zoombezi Bay. By being the sole member, the Zoo has the authority to elect the Board of Directors of Zoombezi Bay and therefore, controls Zoombezi Bay.

The Zoo and Zoombezi Bay have several service agreements whereby the Zoo provides services to Zoombezi Bay and Zoombezi Bay provides services to the Zoo. The Zoo provides services to Zoombezi Bay in the areas of finance and accounting, information technology, human relations and benefit administration, purchasing and warehousing, marketing and advertising, maintenance and security. The amount Zoombezi Bay paid for these services was \$1,588,900 and 1,475,000 in 2023 and 2022, respectively. Zoombezi Bay, under two service agreements, provides services to the Zoo in the areas of golf course management, retail operation, food service operation, operation of the admissions complex and guest relations area, and rides operation. The amount Zoombezi Bay received for these services was \$960,405 and \$1,749,180 in 2023 and 2022, respectively. As part of the agreement for the Zoo providing services to Zoombezi Bay, there is an allocation of admissions revenue and season pass sales. This allocation is based on the ability of guests of Zoombezi Bay having the right to visit the Columbus Zoo and Aquarium. This allocation is included in ticket revenue (\$1,592,726 and 1,518,583 in 2023 and 2022, respectively) and in season pass revenue (\$357,213 and \$381,060 in 2023 and 2022, respectively) in the statements of activities. There was also an allocation from the Halloween event at Zoombezi Bay. The total allocation for 2023 and 2022 from the Halloween event is \$36,066 and \$26,798 respectively and is reflected in the statements of activities as well.

In addition to the service agreements between Zoombezi Bay and the Zoo, there is a lease agreement for the land being utilized by Zoombezi Bay.

The lease calls for Zoombezi Bay to pay \$300,000 per year for the utilization of the 23 acres the water park encompasses. The lease term expires in 2037. Included on Zoombezi Bay's statements of financial position are accounts receivable of \$2,680,761 and \$891,889 at December 31, 2023 and 2022, respectively, from the Zoo. The intercompany account is used to transfer the aforementioned items, as well as transferring expenses to Zoombezi Bay that are initially paid by the Zoo such as inventory, payroll, credit card payments, utilities and insurance.

The Zoo is guarantor of both outstanding loans disclosed in Note 16. The Zoo has not been required to make any payments on these loans and does not expect to be required to make any payments in the future. The loans will mature on June 30, 2029.

25. RELATIONSHIP BETWEEN THE ZOO AND THE WILDS:

The Zoo is the sole member of The Wilds. By being the sole member, the Zoo has the authority to elect the Board of Trustees of The Wilds and therefore, controls The Wilds.

The Wilds and the Zoo are currently operating under the terms of a service agreement that renews automatically for one or more additional one-year terms, unless either party gives 60 day written notice of intent to terminate or renegotiate the agreement. This agreement has the Zoo providing services to The Wilds in the areas of education, animal health, finance and accounting, information technology, human relations and benefit administration, purchasing, marketing and advertising, retail operation, food service operation, development and fundraising and facility planning and design. The Wilds recorded in-kind revenue (included in general contributions and grants) and an increase of payroll wages and benefits of \$947,569 and \$856,757 in 2023 and 2022, respectively, for the services provided to The Wilds in these areas.

At December 31, 2023 and 2022, The Wilds had accounts receivable from the Zoo totaling \$1,379,013 and \$1,790,768, respectively. The intercompany account is used to transfer membership revenue and contributions to the respective organization as well as expenses to The Wilds that are initially paid by the Zoo such as payroll and insurance.

The Zoo provided unrestricted support to The Wilds in the amount of \$1,600,000 and \$1,850,500 for the years ended December 31, 2023 and 2022, respectively.

26. CONCENTRATION OF CREDIT RISK:

The Association maintains its cash and cash equivalents at financial institutions that are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2023 and 2022. At times, these accounts may exceed these federally insured limits. However, the Association has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash or cash equivalents.

27. LIQUIDITY AND AVAILABILITY:

The Association monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of excess operating cash.

The Association has the following financial assets that could be made readily available within one year of the date of the statement of financial position to fund general expenditures:

	2023				2022
	Columbus Zoo	The Wilds	Zoombezi Bay	Total	Total
Financial assets:					
Cash and cash equivalents	\$ 59,981,734	7,170,466	1,898,225	69,050,425	70,295,303
Accounts receivable, net	8,701,154	552,993	12,538	9,266,685	15,238,204
Promises to give, net	5,259,769	73,786	-	5,333,555	6,322,214
Investments and beneficial interest	<u>65,426,243</u>	<u>112,367</u>	<u>-</u>	<u>65,538,610</u>	<u>38,271,927</u>
	<u>139,368,900</u>	<u>7,909,612</u>	<u>1,910,763</u>	<u>149,189,275</u>	<u>130,127,648</u>
Less those unavailable for general expenditure within one year, due to:					
Restricted by donor for purpose	(7,228,041)	(2,022,603)	-	(9,250,644)	(5,067,540)
Noncurrent promises to give	(2,171,696)	-	-	(2,171,696)	(3,325,551)
Noncurrent deferred revenue	-	-	-	-	(2,010,204)
Board designated conservation funding	(1,000,000)	-	-	(1,000,000)	-
Board designated endowments	(35,931,620)	-	-	(35,931,620)	(33,938,836)
Perpetual endowment	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>	<u>(240,000)</u>
	<u>(46,331,357)</u>	<u>(2,272,603)</u>	<u>-</u>	<u>(48,603,960)</u>	<u>(44,582,131)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 93,037,543</u>	<u>5,637,009</u>	<u>1,910,763</u>	<u>100,585,315</u>	<u>85,545,517</u>

Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board designated endowments. The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Association also has secured lines of credit (Note 15), which it could draw upon in the event of an anticipated liquidity need. In addition to financial assets available to meet general expenditures over the year, the Association operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient memberships, admissions, and other revenues, by utilizing donor restricted resources from current and prior years gifts and by appropriating the investment return on its board designated endowments, as needed. The statement of cash flows identifies the sources and uses of the Association's cash and shows a positive cash balance generated by operations of \$35,192,164 and \$18,703,038 for years ending December 31, 2023 and 2022, respectively.

28. GENERAL LITIGATION:

The Association is periodically involved in disputes and claims that arise in the ordinary course of business and in connection with its ongoing activities. In accordance with accounting principles generally accepted in the United States of America, any gain or loss contingency will only be recorded if the outcome is probable, and the amounts can be reasonably estimated. At the present time, the outcome of such claims/disputes is not subject to accurate determination, and they are not considered to be material to the financial statements taken as a whole.

29. COMMITMENTS:

On February 1, 2023, the Association entered into a ten (10) year Concessionaire Agreement with SSA Group, LLC (SSA), a Colorado limited liability company. During the contract term, SSA will provide food service, catering, and retail merchandising services for the Zoo and Zoombezi Bay. Both entities, in exchange, earn a commission based on gross receipts for each of the services.

At December 31, 2023, the Association had outstanding commitments of approximately \$7,680,000 to purchase construction services and materials for projects under construction.

