

**LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)**

Financial Statements and Independent Auditor's Report

October 31, 2021 and 2020

**LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
TABLE OF CONTENTS**

	Page(s)
Independent Auditor's Report	1 - 2
<i><u>Financial Statements:</u></i>	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Cash Flows	6
Statements of Functional Expenses	8 - 11
Notes to Financial Statements	12 - 21

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lehigh Valley Zoological Society
Schnecksville, PA

Opinion

We have audited the accompanying financial statements of Lehigh Valley Zoological Society (a nonprofit corporation), which comprise the statements of financial position as of October 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lehigh Valley Zoological Society as of October 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lehigh Valley Zoological Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Congbell, Rappold & Yucasita LLP

March 28, 2022

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF FINANCIAL POSITION
October 31, 2021 and 2020

Assets	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 2,133,126	\$ 1,052,413
Contributions Receivable	206,967	53,300
Grant Receivable	-	315,460
Prepaid Expenses	18,416	13,315
Inventories	51,524	97,735
Construction in Progress	170,467	47,059
Leasehold Improvements and Equipment, Net of Accumulated Depreciation (Note 3)	1,569,876	1,574,794
Zoological Collection (Note 2)	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 4,150,376</u></u>	<u><u>\$ 3,154,076</u></u>
 Liabilities and Net Assets		
Accounts Payable	\$ 125,737	\$ 64,443
Wages and Taxes Payable	57,901	59,099
Deferred Revenue	339,938	265,042
Accrued Liabilities	51,779	21,307
Line of Credit (Note 4)	5,700	38,747
Loans Payable (Note 6)	<u>149,900</u>	<u>509,100</u>
Total Liabilities	<u>730,955</u>	<u>957,738</u>
Net Assets		
Without Donor Restrictions	3,264,668	2,123,649
With Donor Restrictions (Note 7)	<u>154,753</u>	<u>72,689</u>
Total Net Assets	<u>3,419,421</u>	<u>2,196,338</u>
Total Liabilities and Net Assets	<u><u>\$ 4,150,376</u></u>	<u><u>\$ 3,154,076</u></u>

See independent auditor's report and notes to financial statements.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF ACTIVITIES
For the Years Ended October 31, 2021 and 2020

	Year Ended October 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues, Gains and Other Support:</u>			
From County of Lehigh			
Feed and Care for County Animals	\$ 120,000	\$ -	\$ 120,000
Contributions	293,580	133,869	427,449
COVID-19 Grants	718,622	-	718,622
Government Grant Revenue	161,863	-	161,863
Memberships	408,473	-	408,473
Special Events	179,797	-	179,797
Admissions	2,187,763	-	2,187,763
Gift Shop	835,580	-	835,580
Food Service	118,800	-	118,800
Education Programs	157,956	-	157,956
Camps	80,462	-	80,462
Animal Feeding	38,348	-	38,348
Zoo Rental	35,934	-	35,934
Services	105,546	-	105,546
Miscellaneous	1,533	-	1,533
Loss on Disposal of Fixed Assets	(4,592)	-	(4,592)
Interest	85	-	85
 <u>Net Assets Released from Restrictions:</u>			
Satisfaction of Program Restrictions	51,805	(51,805)	-
 Total Revenues, Gains and Other Support	 5,491,555	 82,064	 5,573,619
 <u>Expenses:</u>			
Program Services:			
Animal Care	879,707	-	879,707
Education	306,547	-	306,547
Guest Services	1,658,058	-	1,658,058
Facilities and Grounds	418,150	-	418,150
Veterinary Services	282,646	-	282,646
Supporting Services:			
Development and Marketing-Special Events	58,876	-	58,876
Development and Marketing-Other	433,657	-	433,657
Administration and Finance	312,895	-	312,895
 Total Expenses	 4,350,536	 -	 4,350,536
 CHANGE IN NET ASSETS	 \$ 1,141,019	 \$ 82,064	 \$ 1,223,083
 Net Assets, Beginning of Year	 2,123,649	 72,689	 2,196,338
 NET ASSETS, End of Year	 \$ 3,264,668	 \$ 154,753	 \$ 3,419,421

See independent auditor's report and notes to financial statements.

Year Ended October 31, 2020		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 119,625	\$ -	\$ 119,625
266,661	63,555	330,216
315,460	-	315,460
-	-	-
272,416	-	272,416
181,088	-	181,088
1,349,850	-	1,349,850
433,392	-	433,392
77,997	-	77,997
91,434	-	91,434
40,908	-	40,908
29,027	-	29,027
15,297	-	15,297
45,440	-	45,440
104	-	104
-	-	-
166	-	166
<u>57,666</u>	<u>(57,666)</u>	<u>-</u>
<u>3,296,531</u>	<u>5,889</u>	<u>3,302,420</u>
734,522	-	734,522
338,483	-	338,483
1,234,330	-	1,234,330
306,107	-	306,107
245,984	-	245,984
33,430	-	33,430
392,207	-	392,207
278,763	-	278,763
<u>3,563,826</u>	<u>-</u>	<u>3,563,826</u>
\$ (267,295)	\$ 5,889	\$ (261,406)
<u>2,390,944</u>	<u>66,800</u>	<u>2,457,744</u>
<u>\$ 2,123,649</u>	<u>\$ 72,689</u>	<u>\$ 2,196,338</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF CASH FLOWS
For the Years Ended October 31, 2021 and 2020

	Year Ended October 31, 2021	Year Ended October 31, 2020
<u>Cash Flows from Operating Activities:</u>		
CHANGE IN NET ASSETS	\$ 1,223,083	\$ (261,406)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	142,571	146,235
Loss on Disposal of Fixed Assets	4,592	-
Gain on Loan Extinguishment	(718,622)	-
Contributions with Donor Imposed Restrictions	(133,869)	(63,555)
(Increase) Decrease in Assets:		
Accounts Receivable	(153,667)	(22,277)
Grants Receivable	315,460	(315,460)
Prepaid Expenses	(5,101)	(2,497)
Inventories	46,211	(335)
Increase (Decrease) in Liabilities:		
Accounts Payable	61,294	10,554
Wages and Taxes Payable	(1,198)	(36,749)
Sales Tax Payable	-	(790)
Deferred Revenue	74,896	36,738
Accrued Liabilities	30,472	20,333
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	886,122	(489,209)
<u>Cash Flows from Investing Activities:</u>		
Construction in Progress Payments	(123,408)	(21,959)
Purchases of Capital Assets	(142,245)	(44,240)
NET CASH USED BY INVESTING ACTIVITIES	(265,653)	(66,199)
<u>Cash Flows from Financing Activities:</u>		
Net Borrowings (Payments) on Line of Credit	(33,047)	49
Principal Payments on Capital Leases Payable	-	(9,404)
Proceeds from Loans	359,422	509,100
Contributions with Donor Imposed Restrictions	133,869	63,555
NET CASH PROVIDED BY FINANCING ACTIVITIES	460,244	563,300
Net Increase in Cash and Cash Equivalents	\$ 1,080,713	\$ 7,892
Cash and Cash Equivalents, Beginning	1,052,413	1,044,521
CASH AND CASH EQUIVALENTS, ENDING	\$ 2,133,126	\$ 1,052,413
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Interest Paid	\$ 963	\$ 1,825

See independent auditor's report and notes to financial statements

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LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended October 31, 2021

	Program Services			
	Animal Care	Education	Guest Services	Facilities and Grounds
Wages	\$ 469,816	\$ 207,870	\$ 373,960	\$ 130,090
Payroll Taxes	36,513	18,184	38,296	10,363
Benefits	58,159	13,405	29,672	9,751
	<u>564,488</u>	<u>239,459</u>	<u>441,928</u>	<u>150,204</u>
Uniforms	675	460	164	150
HR Expense	-	176	80	-
Office Supplies	1,250	726	797	-
Copies/Printing	-	1,711	8,941	-
Signage	-	-	3,375	-
Graphics and Interpretive	1,549	-	-	-
Postage	27	59	16	-
Telephone	337	337	337	67
Information Technology	2,199	10,532	2,224	367
Advertising	-	13,189	120,359	-
Utilities/Electric	20,955	3,836	7,456	10,115
Professional/Contract Services	526	267	1,664	57,813
Insurance	21,474	3,931	7,641	10,365
Payroll Preparation	3,430	1,280	2,932	847
Fees and Service Charges	-	5,688	55,140	-
Permits and Licenses	362	-	12,015	1,300
Dues and Memberships	4,424	1,275	-	-
Exhibit Maintenance	5,503	-	-	47,280
Vehicle Maintenance	-	-	-	9,141
Equipment Maintenance	-	-	2,487	17,388
Building Maintenance	-	-	-	28,677
Operating Supplies	21,256	5,924	40,803	17,028
Janitorial	10,376	-	9,847	1,566
Pest Control	-	-	-	4,223
Pharmacy	-	-	-	-
Animal Enrichment	4,378	-	-	-
Equipment	13,196	-	2,554	18,129
Professional Development	852	2,408	95	-
Library and Subscriptions	-	-	-	-
Travel	264	70	394	-
Hospitality	1,535	224	-	-
Fuel	17,902	82	1,659	13,343
Merchandise	-	-	307,649	-
Food and Beverages	-	-	32,060	-
Services	-	-	52,993	-
Animal Purchases and Transport	2,781	-	-	-
Animal Food	95,718	-	-	-
Plant Materials	-	-	-	3,934
Activities	-	-	17,751	-
Partnership Expense	-	-	498,085	-
Program/Event Production	-	11,156	-	-
Conservation Expense	12,000	-	5,226	-
Interest	-	-	-	-
Depreciation	72,250	3,757	21,386	26,213
	<u>\$ 879,707</u>	<u>\$ 306,547</u>	<u>\$ 1,658,058</u>	<u>\$ 418,150</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended October 31, 2021

Veterinary Services	Total Program Services	Supporting Services		Total for the Year Ended October 31, 2021
		Development and Marketing	Administration and Finance	
\$ 158,699	\$ 1,340,435	\$ 276,885	\$ 155,996	\$ 1,773,316
12,417	115,773	19,776	16,548	152,097
12,264	123,251	38,514	14,386	176,151
<u>183,380</u>	<u>1,579,459</u>	<u>335,175</u>	<u>186,930</u>	<u>2,101,564</u>
150	1,599	284	-	1,883
-	256	-	13,375	13,631
541	3,314	1,572	2,767	7,653
-	10,652	3,490	4,278	18,420
-	3,375	12,287	-	15,662
-	1,549	-	-	1,549
356	458	2,151	1,202	3,811
135	1,213	337	203	1,753
733	16,055	4,311	1,833	22,199
-	133,548	13,188	-	146,736
8,185	50,547	4,056	3,307	57,910
32,392	92,662	4,412	42,730	139,804
8,387	51,798	4,156	3,388	59,342
1,068	9,557	1,625	1,633	12,815
-	60,828	15,977	3,353	80,158
1,270	14,947	215	1,599	16,761
1,430	7,129	1,304	23,263	31,696
2,524	55,307	47	-	55,354
-	9,141	-	-	9,141
-	19,875	-	545	20,420
-	28,677	-	-	28,677
1,265	86,276	13,069	3,211	102,556
55	21,844	-	4,808	26,652
-	4,223	-	-	4,223
22,763	22,763	-	-	22,763
-	4,378	-	-	4,378
3,631	37,510	720	-	38,230
750	4,105	797	3,543	8,445
96	96	60	149	305
130	858	122	-	980
-	1,759	906	89	2,754
-	32,986	-	-	32,986
-	307,649	-	-	307,649
-	32,060	-	-	32,060
-	52,993	-	-	52,993
-	2,781	-	-	2,781
-	95,718	-	-	95,718
-	3,934	-	-	3,934
-	17,751	-	-	17,751
-	498,085	-	-	498,085
-	11,156	58,876	-	70,032
-	17,226	11,753	1,000	29,979
-	-	-	5,772	5,772
<u>13,405</u>	<u>137,011</u>	<u>1,643</u>	<u>3,917</u>	<u>142,571</u>
<u>\$ 282,646</u>	<u>\$ 3,545,108</u>	<u>\$ 492,533</u>	<u>\$ 312,895</u>	<u>\$ 4,350,536</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended October 31, 2020

	Program Services			
	Animal Care	Education	Guest Services	Facilities and Grounds
Wages	\$ 376,574	\$ 244,537	\$ 328,964	\$ 118,664
Payroll Taxes	34,413	22,542	31,081	10,685
Benefits	37,257	18,092	33,619	8,094
	<u>448,244</u>	<u>285,171</u>	<u>393,664</u>	<u>137,443</u>
Uniforms	525	300	-	75
HR Expense	-	118	-	-
Office Supplies	914	98	481	-
Copies/Printing	-	1,704	8,521	-
Signage	-	-	36	-
Graphics and Interpretive	-	20	-	-
Postage	350	-	-	110
Telephone	1,676	1,676	1,676	335
Information Technology	1,180	7,636	1,278	236
Advertising	-	10,479	87,302	-
Utilities/Electric	20,739	3,797	7,379	10,010
Professional/Contract Services	1,139	183	1,868	49,441
Insurance	26,586	4,867	9,460	12,833
Payroll Preparation	2,300	1,401	2,253	678
Fees and Service Charges	-	3,863	33,062	-
Permits and Licenses	75	-	-	1,574
Dues and Memberships	4,288	651	190	-
Exhibit Maintenance	769	-	-	11,306
Vehicle Maintenance	-	-	-	4,070
Equipment Maintenance	-	17	7	3,640
Building Maintenance	-	-	-	11,045
Operating Supplies	8,977	3,345	46,322	11,850
Janitorial	1,826	83	6,442	1,931
Pest Control	-	-	-	3,866
Pharmacy	-	-	-	-
Animal Enrichment	671	-	-	-
Equipment	4,431	483	46	3,129
Professional Development	47	2,120	80	120
Library and Subscriptions	-	-	-	-
Travel	-	1,694	82	-
Hospitality	414	50	-	-
Fuel	9,571	146	454	11,401
Merchandise	-	-	175,336	-
Food and Beverages	-	-	14,092	-
Services	-	-	560	-
Animal Purchases and Transport	665	-	-	-
Animal Food	103,225	-	-	-
Plant Materials	-	-	-	2,357
Activities	-	-	12,580	-
Partnership Expense	-	-	412,135	-
Program/Event Production	-	4,670	-	-
Conservation Expense	23,483	-	-	-
Interest	-	-	-	-
Depreciation	72,427	3,911	19,024	28,657
	<u>\$ 734,522</u>	<u>\$ 338,483</u>	<u>\$ 1,234,330</u>	<u>\$ 306,107</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended October 31, 2020

Veterinary Services	Total Program Services	Supporting Services		Total for the Year Ended October 30, 2020
		Development and Marketing	Administration and Finance	
\$ 128,346	\$ 1,197,085	\$ 280,642	\$ 103,774	\$ 1,581,501
11,145	109,866	11,562	14,154	135,582
12,289	109,351	29,858	10,170	149,379
<u>151,780</u>	<u>1,416,302</u>	<u>322,062</u>	<u>128,098</u>	<u>1,866,462</u>
75	975	1,684	-	2,659
100	218	-	11,156	11,374
213	1,706	555	3,134	5,395
-	10,225	6,154	4,261	20,640
-	36	7,913	-	7,949
-	20	-	-	20
392	852	2,529	790	4,171
670	6,033	1,676	1,004	8,713
589	10,919	2,489	1,181	14,589
-	97,781	10,479	-	108,260
8,100	50,025	4,014	3,272	57,311
32,831	85,462	3,453	63,236	152,151
10,384	64,130	5,146	4,195	73,471
731	7,363	1,414	1,317	10,094
-	36,925	5,327	4,790	47,042
450	2,099	406	13,147	15,652
905	6,034	1,114	19,885	27,033
-	12,075	-	-	12,075
-	4,070	-	-	4,070
3,314	6,978	422	26	7,426
-	11,045	-	-	11,045
2,705	73,199	8,094	2,179	83,472
-	10,282	-	3,990	14,272
-	3,866	-	-	3,866
16,780	16,780	-	-	16,780
-	671	-	-	671
189	8,278	195	-	8,473
480	2,847	333	1,236	4,416
-	-	31	67	98
-	1,776	36	3,131	4,943
160	624	2,435	1,162	4,221
27	21,599	-	-	21,599
-	175,336	-	-	175,336
-	14,092	-	-	14,092
-	560	-	-	560
-	665	-	-	665
-	103,225	-	-	103,225
-	2,357	-	-	2,357
-	12,580	-	-	12,580
-	412,135	-	-	412,135
-	4,670	33,430	-	38,100
-	23,483	2,820	-	26,303
-	-	-	1,825	1,825
<u>15,109</u>	<u>139,128</u>	<u>1,426</u>	<u>5,681</u>	<u>146,235</u>
<u>\$ 245,984</u>	<u>\$ 2,859,426</u>	<u>\$ 425,637</u>	<u>\$ 278,763</u>	<u>\$ 3,563,826</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

1. Nature of Activities

On November 1, 2004, the Lehigh Valley Zoological Society (the "Society") assumed management of the 29-acre Lehigh Valley Zoo (the "Zoo") located at the Trexler Nature Preserve. The Trexler Nature Preserve, founded by General Harry C. Trexler in 1906, is owned and operated by the County of Lehigh (the County). The Zoo, founded in 1974, was formerly operated by the County.

The mission of the Society is to create a safe, engaging and enlightening wildlife experience for guests of all ages as it demonstrates leadership in the cultural, scientific and conservation communities.

On March 21, 2006, the Zoo became accredited by the Association of Zoos and Aquariums. Accreditation places the Zoo in the top 10% of animal attractions in North America and indicates the Zoo's commitment to education, conservation and top-quality animal care. The Zoo was reaccredited in 2021.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Society and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

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

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

2. Summary of Significant Accounting Policies (Continued)

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, the Society considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements. The reclassifications had no impact on the changes in net assets as previously reported.

Inventory

The merchandise inventory consists of items purchased for sale in the gift shops. Items purchased for resale are valued at the lower of cost or market, cost being determined on a first-in-first-out basis.

Leasehold Improvements and Equipment

The Society capitalizes expenditures for assets that cost \$1,000 or more, with at least a three-year life expectancy. Leasehold improvements and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Equipment	3-7 years
Leasehold Improvements	7-39 years

All land and non-exhibit buildings located at the Society on October 31, 2021 and 2020 are the property of the County and are not included in these financial statements. The Zoo is being leased from the County for \$1 per year. In the event the Zoo would cease operations, all leasehold improvements would become property of the County. Due to the unusual nature of the below market value of the lease, management has elected not to record the value in the financial statements.

All repairs and maintenance are expensed in the period incurred.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

2. Summary of Significant Accounting Policies (Continued)

Zoological Collection

Animals acquired either through purchase or donations are not capitalized. Purchases of animals are recorded as decreases in net assets without donor restrictions if purchased with unrestricted assets and as decreases in net assets with donor restrictions if purchased with donor restricted assets. Contributions of animals are not recognized in the Statements of Activities. Proceeds from deaccessions are reflected in the Statement of Activities based on the absence or existence and nature of donor-imposed restrictions.

Contributions and Grants Receivable

Contributions and grants receivable that represent unconditional promises to give are recognized as revenues when the promise is received. Contributions and grants receivable that are expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of promise.

All of the Society's contributions and grants receivable are expected to be collected within one year and are reported at net realizable value in these financial statements. Management does not believe an allowance for uncollectible amounts is necessary based on historical experience with the donors and grantors.

Contributions and Grant Revenue

Contributions received are recorded as net assets with or without donor restrictions, depending on the existence and/or the nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

The Society reports gifts of land, buildings, and equipment as unrestricted 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 restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Society reports expirations of donor restriction when the donated or acquired long-lived assets are placed in service.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Society. The Society receives a significant amount of donated services however, the services have not met the criteria for recognition for the years ended October 31, 2021 and 2020.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

2. Summary of Significant Accounting Policies (Continued)

Contributions and Grant Revenue (Continued)

Revenue from grants is recognized according to the specific agreement. Generally, revenues from restricted grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of project expenses incurred. Based on prior experience, the Society's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Society.

Revenue Recognition

The Society recognizes revenues from grants, contributions, rental income, and zoo admission/services, that are outside the scope of ASC 606. The Society's revenue streams are accounted for in the following segments:

- **Zoo Admissions and Zoo Services** – The Society provides admissions to the Zoo, as well as different services available while in the Zoo. These range from concession sales, to gift shop sales, and tours/programs for visitors. All services and programs are recognized as a fee-for-service and all revenue from these services are recognized in the period earned.
- **Contributions and Grants** – During the course of the year the Zoo will receive different kinds of contributions and grants from outside sources. All revenue earned from contributions and grants is realized in the period that it is earned.
- **Memberships** – The Society offers individuals the ability to become members of the zoo. All revenue from taking in members are recognized as revenue in the period in which the costs are incurred and the service is provided. Unearned membership revenue is reflected in deferred revenue at the end of the fiscal year.

Advertising Costs

The Society's policy is to expense advertising costs as the costs are incurred. Advertising expense was \$146,736 and \$108,260 for the years ending October 31, 2021 and 2020, respectively.

Allocation of Expenses by Function

As reported in the Statements of Functional Expenses, expenses of the Society have been allocated to the following functional reporting classifications:

Animal Care
Education
Guest Services
Facilities and Grounds
Veterinary Services
Development and Marketing
Administration and Finance

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

2. Summary of Significant Accounting Policies (Continued)

Allocation of Expenses by Function (Continued)

The Society's method for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting service are based on estimates made for time spent by key personnel among functions, space occupied by function, consumption of supplies and postage by function, and other objective bases.

Concentration of Risk

The Society's activities are limited to operating a Zoo located on land owned by the County. Ongoing, the Society receives infrastructure support determined on an annual basis and subject to County preapproval.

Concentration of Credit Risk

The Society maintains all its cash accounts in two banks. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC). Maximum FDIC insurance coverage of the Society's deposits was \$250,000 at October 31, 2021 and 2020. The Society had uninsured amounts at October 31, 2021 and 2020 of approximately \$1,873,620 and \$773,000, respectively. While the Society maintains cash balances which may exceed the FDIC's insured limits, it has not experienced any credit-related losses.

Income Taxes

The Society is a nonprofit Society that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society follows the guidance of ASC-740-10, *Accounting for Uncertainty in Income Taxes*. The Society may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. There were no unrecognized tax benefits identified or liabilities recorded for the years ended October 31, 2021 and 2020.

The Society files its Form 990, Return of Society Exempt from Income Tax, with the United States Internal Revenue Service (IRS). The Society's returns remain open to examination by the Internal Revenue Service for the years ending October 31, 2018, 2019, 2020, and 2021.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

2. Summary of Significant Accounting Policies (Continued)

Accounting for Paycheck Protection Program (PPP)

The Society may account for a Paycheck Protection Program (PPP) loan as a financial liability in accordance with FASB ASC Topic 470, Debt, or under other models, if certain conditions are met. If the Society expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven, the Society may account for the PPP loan in accordance with ASC Subtopic 958-605 as a conditional contribution. The Society has elected the debt method. Under this method, the Society recorded a debt liability on the Statement of Financial Position and subsequently recognized revenue from the extinguishment of debt once forgiveness had been determined by the Small Business Administration. On April 28, 2020, the Society received \$359,200 under the Paycheck Protection Program. On May 27, 2021, the Society's PPP loan was forgiven in full.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (the "CA Act") was signed. Included in the CA Act is the second round of Paycheck Program loans for businesses facing significant revenue declines in any 2020 quarter compared to the same quarter in 2019. Eligible second-time borrowers were required to have 300 or fewer employees, a 25% gross revenue decline during any quarter in 2020 as compared to the same quarter in 2019, and have used or will use the full amount of the first Paycheck Protection loan. The second round of Paycheck Program loans are capped at the lesser of 2.5x a borrower's LTM average monthly payroll consisting of no more than \$100,000 per employee plus health and retirement benefits, or \$2,000,000 per borrower. The Organization has the option to choose the length of the covered period of expenses of not fewer than eight weeks, but no longer than twenty-four weeks. On January 31, 2021, the Society received \$359,422 under the Paycheck Protection Program. On October 25, 2021, the Society's second PPP loan was forgiven in full.

Employee Retention Credit

The CARES Act extended Employer Retention Credit ("ERC") through September 30, 2021. The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages paid to an employer after March 12, 2020, and before January 1, 2021, capped at \$5,000 per employee. For 2021, the ERC amount is increased to 70% of qualified wages paid to an employee, capped at \$7,000 per employee per quarter.

The Society determined it is eligible for the ERC for the period October through December 31, 2020, based on having a 20% or more decline in gross receipts compared to 2019 in quarter 4. The Society has computed the credits to total \$161,863, which is included in Government Grant revenue on the Statements of Activities. \$161,863 was not received prior to year-end.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

3. Leasehold Improvements and Equipment, Net

Leasehold improvements and equipment consist of the following:

	2021	2020
Leasehold Improvements	\$ 1,884,133	\$ 1,839,868
Equipment	695,832	648,714
	2,579,965	2,488,582
Accumulated Depreciation	(1,010,089)	(913,788)
	\$ 1,569,876	\$ 1,574,794

Depreciation charged to expense was \$142,571 and \$146,235 for the years ended October 31, 2021 and 2020, respectively.

4. Line of Credit

The Society has a \$250,000 line of credit with a bank that expires on June 1, 2022, and is payable on demand. On October 31, 2021 and 2020, the interest rate was 3.25% for both years and interest paid on the line of credit was \$963 and \$1,394, respectively. The outstanding balance at October 31, 2021 and 2020 was \$5,700 and \$38,747, respectively.

5. Leases

On February 12, 2020, the Society entered into a fifteen-year lease (the Lease) for the Zoo with the County. Rent for the facility under the Lease is \$1 per year through January 21, 2035.

The Society leases equipment under long-term lease agreements. The equipment leases are operating leases that expire in various years through 2022. Rental expenses for the years ended October 31, 2021 and 2020 were \$16,675 and \$17,356, respectively. During fiscal year ending October 31, 2021 all capital leases were paid in full.

Minimum lease payments for leases as of October 31, 2021 are as follows:

	Operating
Year ending October 31,	
2022	\$ 8,008
2023	1
2024	1
2025	1
2026	1
Thereafter	9
Total Minimum Lease Payments	\$ 8,021

**LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020**

6. Loans Payable

	2021	2020
Paycheck Protection Program Loan. Payable in monthly installments of \$15,123, principal and interest at 1.00%. Matures October, 2022	\$ -	\$ 359,200
Economic Injury Disaster Loan, Payable in monthly installments of \$641, principal and interest at 2.75%. Matures August, 2051	<u>149,900</u>	<u>149,900</u>
	<u>\$ 149,900</u>	<u>\$ 509,100</u>

Maturities of the long-term debt are as follows:

Year ended October 31,			
2022	\$	565	
2023		3,443	
2024		3,539	
2025		3,638	
2026		3,739	
Thereafter		<u>134,976</u>	
		<u>\$ 149,900</u>	

Interest expense for the related loans was \$4,809 and \$-0- for the years ended October 31, 2021 and 2020, respectively.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

7. Net Assets With Donor Restrictions

The Society's net assets with donor restrictions as of October 31, 2021 and 2020 consisted of the following:

	2021	2020
Purpose Restrictions:		
Marketing-Tourism	\$ -	\$ 15,000
Education	7,500	7,500
Habitat Madagascar	98,394	9,025
Front Entrance	275	275
Animal Care	-	5,450
Volunteer/Docent	-	439
EITC	17,500	18,000
Oryx and Camel Exhibit	17,000	17,000
Penguin Exhibit	14,084	-
	\$ 154,753	\$ 72,689

8. Net Assets Released From Restrictions

Net assets were released from restrictions during the year by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	2021	2020
Oryx and Camel Exhibit	\$ -	\$ 18,000
Giraffe Care	-	318
Conservation Education	3,000	-
EITC	3,000	-
Marketing	32,000	32,000
North American Animal Exhibit	1,000	-
Penguin Exhibit	6,916	-
Snowy Owl Care	-	3,110
Specific Animal Care	5,450	426
Volunteer/Docent Program	439	562
Wolf Exhibit	-	3,250
	\$ 51,805	\$ 57,666

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2021 and 2020

9. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date Statements of Financial Position, consist of the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 2,133,126	\$ 1,052,413
Contributions Receivable	206,967	53,300
Net Assets With Donor Restrictions	<u>(154,753)</u>	<u>(72,689)</u>
	<u><u>\$ 2,185,340</u></u>	<u><u>\$ 1,033,024</u></u>

As described in Note 4, the Society has a line of credit with available funds of \$244,300 as of October 31, 2021, which it could draw upon in the event of an anticipated liquidity need.

10. Subsequent Events

Management has evaluated subsequent events through March 28, 2022 the date on which the financial statements were available to be issued and has determined that with the exception of the item noted below material subsequent events exist that require disclosure.

Economic uncertainties have arisen as a result of the global pandemic due to the spread of the COVID-19 coronavirus. The pandemic has the potential to have a significant impact of all aspects of the Organization's operations. The full extent of the economic impact on the Organization is unknown at this time.

**LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)**

Financial Statements and Independent Auditor's Report

October 31, 2022 and 2021

**LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
TABLE OF CONTENTS**

	Page(s)
Independent Auditor's Report	1 - 2
<i><u>Financial Statements:</u></i>	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Cash Flows	6
Statements of Functional Expenses	8 - 11
Notes to Financial Statements	12 - 21

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lehigh Valley Zoological Society
Schnecksville, PA

Opinion

We have audited the accompanying financial statements of Lehigh Valley Zoological Society (a nonprofit corporation), which comprise the statements of financial position as of October 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lehigh Valley Zoological Society as of October 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lehigh Valley Zoological Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Congbell, Rappold & Yucasita LLP

March 20, 2023

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF FINANCIAL POSITION
October 31, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 2,139,115	\$ 2,133,126
Accounts Receivable	57,252	206,967
Prepaid Expenses	44,456	18,416
Inventories	73,064	51,524
Construction in Progress	432,527	170,467
Leasehold Improvements and Equipment, Net of Accumulated Depreciation (Note 3)	1,587,277	1,569,876
Zoological Collection (Note 2)	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,333,691</u>	<u>\$ 4,150,376</u>
 Liabilities and Net Assets		
Accounts Payable	\$ 112,845	\$ 125,737
Wages and Taxes Payable	62,034	57,901
Deferred Revenue	391,070	339,938
Accrued Liabilities	56,360	51,779
Line of Credit (Note 4)	-	5,700
Loans Payable (Note 6)	<u>149,900</u>	<u>149,900</u>
Total Liabilities	<u>772,209</u>	<u>730,955</u>
Net Assets		
Without Donor Restrictions	3,438,216	3,264,668
With Donor Restrictions (Note 7)	<u>123,266</u>	<u>154,753</u>
Total Net Assets	<u>3,561,482</u>	<u>3,419,421</u>
Total Liabilities and Net Assets	<u>\$ 4,333,691</u>	<u>\$ 4,150,376</u>

See independent auditor's report and notes to financial statements.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF ACTIVITIES
For the Years Ended October 31, 2022 and 2021

	Year Ended October 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues, Gains and Other Support:</u>			
From County of Lehigh			
Feed and Care for County Animals	\$ 120,000	\$ -	\$ 120,000
Contributions	368,689	226,066	594,755
COVID-19 Grants	-	-	-
Government Grant Revenue	-	-	-
Memberships	481,543	-	481,543
Special Events	146,848	-	146,848
Admissions	2,087,099	-	2,087,099
Gift Shop	801,371	-	801,371
Food Service	143,830	-	143,830
Education Programs	202,517	-	202,517
Camps	80,253	-	80,253
Animal Feeding	80,121	-	80,121
Zoo Rental	34,820	-	34,820
Services	70,092	-	70,092
Miscellaneous	230	-	230
Loss on Disposal of Fixed Assets	-	-	-
Interest	5,070	-	5,070
<u>Net Assets Released from Restrictions:</u>			
Satisfaction of Program Restrictions	257,553	(257,553)	-
 Total Revenues, Gains and Other Support	4,880,036	(31,487)	4,848,549
<u>Expenses:</u>			
Program Services:			
Animal Care	1,012,609	-	1,012,609
Education	347,638	-	347,638
Guest Services	1,804,178	-	1,804,178
Facilities and Grounds	415,217	-	415,217
Veterinary Services	309,212	-	309,212
Supporting Services:			
Development and Marketing-Special Events	65,200	-	65,200
Development and Marketing-Other	466,101	-	466,101
Administration and Finance	286,333	-	286,333
 Total Expenses	4,706,488	-	4,706,488
 CHANGE IN NET ASSETS	\$ 173,548	\$ (31,487)	\$ 142,061
 Net Assets, Beginning of Year	3,264,668	154,753	3,419,421
 NET ASSETS, End of Year	\$ 3,438,216	\$ 123,266	\$ 3,561,482

See independent auditor's report and notes to financial statements.

Year Ended October 31, 2021		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 120,000	\$ -	\$ 120,000
293,580	133,869	427,449
718,622	-	718,622
161,863	-	161,863
408,473	-	408,473
179,797	-	179,797
2,187,763	-	2,187,763
835,580	-	835,580
118,800	-	118,800
157,956	-	157,956
80,462	-	80,462
38,348	-	38,348
35,934	-	35,934
105,546	-	105,546
1,533	-	1,533
(4,592)	-	(4,592)
85	-	85
<u>51,805</u>	<u>(51,805)</u>	<u>-</u>
<u>5,491,555</u>	<u>82,064</u>	<u>5,573,619</u>
879,707	-	879,707
306,547	-	306,547
1,658,058	-	1,658,058
418,150	-	418,150
282,646	-	282,646
58,876	-	58,876
433,657	-	433,657
312,895	-	312,895
<u>4,350,536</u>	<u>-</u>	<u>4,350,536</u>
\$ 1,141,019	\$ 82,064	\$ 1,223,083
<u>2,123,649</u>	<u>72,689</u>	<u>2,196,338</u>
<u>\$ 3,264,668</u>	<u>\$ 154,753</u>	<u>\$ 3,419,421</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF CASH FLOWS
For the Years Ended October 31, 2022 and 2021

	Year Ended October 31, 2022	Year Ended October 31, 2021
<u>Cash Flows from Operating Activities:</u>		
CHANGE IN NET ASSETS	\$ 142,061	\$ 1,223,083
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	148,020	142,571
Loss on Disposal of Fixed Assets	-	4,592
Gain on Loan Extinguishment	-	(718,622)
Contributions with Donor Imposed Restrictions	(226,066)	(133,869)
(Increase) Decrease in Assets:		
Accounts Receivable	149,715	(153,667)
Grants Receivable	-	315,460
Prepaid Expenses	(26,040)	(5,101)
Inventories	(21,540)	46,211
Increase (Decrease) in Liabilities:		
Accounts Payable	(12,892)	61,294
Wages and Taxes Payable	4,133	(1,198)
Deferred Revenue	51,132	74,896
Accrued Liabilities	4,581	30,472
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 213,104	 886,122
<u>Cash Flows from Investing Activities:</u>		
Construction in Progress Payments	(313,002)	(123,408)
Purchases of Capital Assets	(114,479)	(142,245)
 NET CASH USED BY INVESTING ACTIVITIES	 (427,481)	 (265,653)
<u>Cash Flows from Financing Activities:</u>		
Net Payments on Line of Credit	(5,700)	(33,047)
Proceeds from Loans	-	359,422
Contributions with Donor Imposed Restrictions	226,066	133,869
 NET CASH PROVIDED BY FINANCING ACTIVITIES	 220,366	 460,244
 Net Increase in Cash and Cash Equivalents	 \$ 5,989	 \$ 1,080,713
Cash and Cash Equivalents, Beginning	2,133,126	1,052,413
 CASH AND CASH EQUIVALENTS, ENDING	 \$ 2,139,115	 \$ 2,133,126
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Interest Paid	\$ 270	\$ 963

See independent auditor's report and notes to financial statements

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LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended October 31, 2022

	Program Services			
	Animal Care	Education	Guest Services	Facilities and Grounds
Wages	\$ 525,833	\$ 225,188	\$ 431,045	\$ 99,233
Payroll Taxes	45,315	19,064	39,700	8,522
Benefits	81,323	24,942	33,754	12,315
	<u>652,471</u>	<u>269,194</u>	<u>504,499</u>	<u>120,070</u>
Uniforms	2,002	1,304	931	292
HR Expense	-	69	-	-
Office Supplies	1,347	506	689	-
Copies/Printing	-	1,811	8,511	80
Signage	-	-	4,931	-
Graphics and Interpretive	1,109	265	-	-
Postage	1,440	63	-	-
Telephone	353	353	353	71
Information Technology	2,773	3,697	3,010	462
Advertising	-	18,096	150,570	-
Utilities/Electric	27,636	5,060	8,847	13,339
Professional/Contract Services	70	-	1,010	112,049
Insurance	29,370	5,378	9,402	14,176
Payroll Preparation	4,177	1,427	3,547	603
Fees and Service Charges	-	5,818	52,628	-
Permits and Licenses	23	-	12,000	2,180
Dues and Memberships	3,798	2,153	95	-
Exhibit Maintenance	5,520	-	-	34,886
Vehicle Maintenance	-	-	-	9,234
Equipment Maintenance	-	62	2,193	8,148
Building Maintenance	-	-	-	33,015
Operating Supplies	27,320	5,381	57,274	17,858
Janitorial	5,784	7	13,005	-
Pest Control	-	-	-	4,121
Pharmacy	-	-	-	-
Animal Enrichment	3,930	-	-	-
Equipment	9,322	489	3,463	1,099
Professional Development	1,716	3,817	95	-
Library and Subscriptions	-	-	-	21
Travel	148	1,610	290	23
Hospitality	930	360	300	-
Fuel	22,829	-	2,619	13,938
Merchandise	-	-	295,767	-
Food and Beverages	-	-	56,229	-
Services	-	-	1,102	-
Animal Purchases and Transport	11,960	-	-	-
Animal Food	113,908	-	-	-
Plant Materials	-	-	-	4,161
Activities	-	-	15,072	-
Partnership Expense	-	-	568,830	-
Program/Event Production	-	17,086	-	-
Conservation Expense	10,000	-	3,426	-
Interest	-	-	-	-
Depreciation	72,673	3,632	23,490	25,391
	<u>\$ 1,012,609</u>	<u>\$ 347,638</u>	<u>\$ 1,804,178</u>	<u>\$ 415,217</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended October 31, 2022

Veterinary Services	Total Program Services	Supporting Services		Total for the Year Ended October 31, 2022
		Development and Marketing	Administration and Finance	
\$ 168,430	\$ 1,449,729	\$ 292,383	\$ 115,074	\$ 1,857,186
13,447	126,048	23,895	6,319	156,262
15,452	167,786	45,599	13,227	226,612
197,329	1,743,563	361,877	134,620	2,240,060
127	4,656	410	47	5,113
-	69	-	19,323	19,392
333	2,875	1,227	2,959	7,061
-	10,402	9,784	4,256	24,442
-	4,931	2,744	-	7,675
-	1,374	-	-	1,374
876	2,379	1,581	294	4,254
141	1,271	353	214	1,838
924	10,866	5,003	2,311	18,180
-	168,666	18,096	-	186,762
10,794	65,676	5,349	4,361	75,386
35,739	148,868	11,806	44,500	205,174
11,472	69,798	5,685	4,635	80,118
1,198	10,952	1,805	1,491	14,248
-	58,446	14,384	2,064	74,894
2,258	16,461	125	250	16,836
1,695	7,741	1,144	23,453	32,338
2,670	43,076	52	-	43,128
-	9,234	-	-	9,234
-	10,403	-	315	10,718
-	33,015	-	-	33,015
1,470	109,303	10,116	5,208	124,627
256	19,052	-	5,899	24,951
-	4,121	-	-	4,121
21,644	21,644	-	-	21,644
-	3,930	-	-	3,930
4,108	18,481	196	-	18,677
2,432	8,060	403	5,150	13,613
-	21	-	99	120
1,056	3,127	569	2,372	6,068
-	1,590	4,463	661	6,714
-	39,386	-	-	39,386
-	295,767	-	-	295,767
-	56,229	-	-	56,229
-	1,102	-	-	1,102
-	11,960	-	-	11,960
-	113,908	-	-	113,908
-	4,161	-	-	4,161
-	15,072	-	-	15,072
-	568,830	-	-	568,830
-	17,086	65,200	-	82,286
-	13,426	7,244	9,000	29,670
-	-	-	4,392	4,392
12,690	137,876	1,685	8,459	148,020
<u>\$ 309,212</u>	<u>\$ 3,888,854</u>	<u>\$ 531,301</u>	<u>\$ 286,333</u>	<u>\$ 4,706,488</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended October 31, 2021

	Program Services			
	Animal Care	Education	Guest Services	Facilities and Grounds
Wages	\$ 469,816	\$ 207,870	\$ 373,960	\$ 130,090
Payroll Taxes	36,513	18,184	38,296	10,363
Benefits	58,159	13,405	29,672	9,751
	<u>564,488</u>	<u>239,459</u>	<u>441,928</u>	<u>150,204</u>
Uniforms	675	460	164	150
HR Expense	-	176	80	-
Office Supplies	1,250	726	797	-
Copies/Printing	-	1,711	8,941	-
Signage	-	-	3,375	-
Graphics and Interpretive	1,549	-	-	-
Postage	27	59	16	-
Telephone	337	337	337	67
Information Technology	2,199	10,532	2,224	367
Advertising	-	13,189	120,359	-
Utilities/Electric	20,955	3,836	7,456	10,115
Professional/Contract Services	526	267	1,664	57,813
Insurance	21,474	3,931	7,641	10,365
Payroll Preparation	3,430	1,280	2,932	847
Fees and Service Charges	-	5,688	55,140	-
Permits and Licenses	362	-	12,015	1,300
Dues and Memberships	4,424	1,275	-	-
Exhibit Maintenance	5,503	-	-	47,280
Vehicle Maintenance	-	-	-	9,141
Equipment Maintenance	-	-	2,487	17,388
Building Maintenance	-	-	-	28,677
Operating Supplies	21,256	5,924	40,803	17,028
Janitorial	10,376	-	9,847	1,566
Pest Control	-	-	-	4,223
Pharmacy	-	-	-	-
Animal Enrichment	4,378	-	-	-
Equipment	13,196	-	2,554	18,129
Professional Development	852	2,408	95	-
Library and Subscriptions	-	-	-	-
Travel	264	70	394	-
Hospitality	1,535	224	-	-
Fuel	17,902	82	1,659	13,343
Merchandise	-	-	307,649	-
Food and Beverages	-	-	32,060	-
Services	-	-	52,993	-
Animal Purchases and Transport	2,781	-	-	-
Animal Food	95,718	-	-	-
Plant Materials	-	-	-	3,934
Activities	-	-	17,751	-
Partnership Expense	-	-	498,085	-
Program/Event Production	-	11,156	-	-
Conservation Expense	12,000	-	5,226	-
Interest	-	-	-	-
Depreciation	72,250	3,757	21,386	26,213
	<u>\$ 879,707</u>	<u>\$ 306,547</u>	<u>\$ 1,658,058</u>	<u>\$ 418,150</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended October 31, 2021

Veterinary Services	Total Program Services	Supporting Services		Total for the Year Ended October 30, 2021
		Development and Marketing	Administration and Finance	
\$ 158,699	\$ 1,340,435	\$ 276,885	\$ 155,996	\$ 1,773,316
12,417	115,773	19,776	16,548	152,097
12,264	123,251	38,514	14,386	176,151
<u>183,380</u>	<u>1,579,459</u>	<u>335,175</u>	<u>186,930</u>	<u>2,101,564</u>
150	1,599	284	-	1,883
-	256	-	13,375	13,631
541	3,314	1,572	2,767	7,653
-	10,652	3,490	4,278	18,420
-	3,375	12,287	-	15,662
-	1,549	-	-	1,549
356	458	2,151	1,202	3,811
135	1,213	337	203	1,753
733	16,055	4,311	1,833	22,199
-	133,548	13,188	-	146,736
8,185	50,547	4,056	3,307	57,910
32,392	92,662	4,412	42,730	139,804
8,387	51,798	4,156	3,388	59,342
1,068	9,557	1,625	1,633	12,815
-	60,828	15,977	3,353	80,158
1,270	14,947	215	1,599	16,761
1,430	7,129	1,304	23,263	31,696
2,524	55,307	47	-	55,354
-	9,141	-	-	9,141
-	19,875	-	545	20,420
-	28,677	-	-	28,677
1,265	86,276	13,069	3,211	102,556
55	21,844	-	4,808	26,652
-	4,223	-	-	4,223
22,763	22,763	-	-	22,763
-	4,378	-	-	4,378
3,631	37,510	720	-	38,230
750	4,105	797	3,543	8,445
96	96	60	149	305
130	858	122	-	980
-	1,759	906	89	2,754
-	32,986	-	-	32,986
-	307,649	-	-	307,649
-	32,060	-	-	32,060
-	52,993	-	-	52,993
-	2,781	-	-	2,781
-	95,718	-	-	95,718
-	3,934	-	-	3,934
-	17,751	-	-	17,751
-	498,085	-	-	498,085
-	11,156	58,876	-	70,032
-	17,226	11,753	1,000	29,979
-	-	-	5,772	5,772
13,405	137,011	1,643	3,917	142,571
<u>\$ 282,646</u>	<u>\$ 3,545,108</u>	<u>\$ 492,533</u>	<u>\$ 312,895</u>	<u>\$ 4,350,536</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

1. Nature of Activities

On November 1, 2004, the Lehigh Valley Zoological Society (the "Society") assumed management of the 29-acre Lehigh Valley Zoo (the "Zoo") located at the Trexler Nature Preserve. The Trexler Nature Preserve, founded by General Harry C. Trexler in 1906, is owned and operated by the County of Lehigh (the County). The Zoo, founded in 1974, was formerly operated by the County.

The mission of the Society is to create a safe, engaging and enlightening wildlife experience for guests of all ages as it demonstrates leadership in the cultural, scientific and conservation communities.

On March 21, 2006, the Zoo became accredited by the Association of Zoos and Aquariums. Accreditation places the Zoo in the top 10% of animal attractions in North America and indicates the Zoo's commitment to education, conservation and top-quality animal care. The Zoo was reaccredited in 2021.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Society and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

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

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, the Society considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements. The reclassifications had no impact on the changes in net assets as previously reported.

Inventory

The merchandise inventory consists of items purchased for sale in the gift shops. Items purchased for resale are valued at the lower of cost or market, cost being determined on a first-in-first-out basis.

Leasehold Improvements and Equipment

The Society capitalizes expenditures for assets that cost \$1,000 or more, with at least a three-year life expectancy. Leasehold improvements and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Equipment	3-7 years
Leasehold Improvements	7-39 years

All land and non-exhibit buildings located at the Society on October 31, 2022 and 2021 are the property of the County and are not included in these financial statements. The Zoo is being leased from the County for \$1 per year. In the event the Zoo would cease operations, all leasehold improvements would become property of the County. Due to the unusual nature of the below market value of the lease, management has elected not to record the value in the financial statements.

All repairs and maintenance are expensed in the period incurred.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Zoological Collection

Animals acquired either through purchase or donations are not capitalized. Purchases of animals are recorded as decreases in net assets without donor restrictions if purchased with unrestricted assets and as decreases in net assets with donor restrictions if purchased with donor restricted assets. Contributions of animals are not recognized in the Statements of Activities. Proceeds from deaccessions are reflected in the Statement of Activities based on the absence or existence and nature of donor-imposed restrictions.

Contributions and Grants Receivable

Contributions and grants receivable that represent unconditional promises to give are recognized as revenues when the promise is received. Contributions and grants receivable that are expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of promise.

All of the Society's contributions and grants receivable are expected to be collected within one year and are reported at net realizable value in these financial statements. Management does not believe an allowance for uncollectible amounts is necessary based on historical experience with the donors and grantors.

Contributions and Grant Revenue

Contributions received are recorded as net assets with or without donor restrictions, depending on the existence and/or the nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

The Society reports gifts of land, buildings, and equipment as unrestricted 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 restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Society reports expirations of donor restriction when the donated or acquired long-lived assets are placed in service.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Society. The Society receives a significant amount of donated services however, the services have not met the criteria for recognition for the years ended October 31, 2022 and 2021.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Contributions and Grant Revenue (Continued)

Revenue from grants is recognized according to the specific agreement. Generally, revenues from restricted grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of project expenses incurred. Based on prior experience, the Society's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Society.

Revenue Recognition

The Society recognizes revenues from grants, contributions, rental income, and zoo admission/services, that are outside the scope of ASC 606. The Society's revenue streams are accounted for in the following segments:

- **Zoo Admissions and Zoo Services** – The Society provides admissions to the Zoo, as well as different services available while in the Zoo. These range from concession sales, gift shop sales, event rentals, and tours/programs for visitors. All services and programs are recognized as a fee-for-service and all revenue from these services are recognized in the period earned.
- **Contributions and Grants** – During the course of the year the Zoo will receive different kinds of contributions and grants from outside sources. All revenue earned from contributions and grants is realized in the period that it is earned.
- **Memberships** – The Society offers individuals the ability to become members of the zoo. All revenue from taking in members are recognized as revenue in the period in which the costs are incurred and the service is provided. Unearned membership revenue is reflected in deferred revenue at the end of the fiscal year.

Advertising Costs

The Society's policy is to expense advertising costs as the costs are incurred. Advertising expense was \$186,762 and \$146,736 for the years ending October 31, 2022 and 2021, respectively.

Allocation of Expenses by Function

As reported in the Statements of Functional Expenses, expenses of the Society have been allocated to the following functional reporting classifications:

Animal Care
Education
Guest Services
Facilities and Grounds
Veterinary Services
Development and Marketing
Administration and Finance

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Allocation of Expenses by Function (Continued)

The Society's method for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting service are based on estimates made for time spent by key personnel among functions, space occupied by function, consumption of supplies and postage by function, and other objective bases.

Concentration of Risk

The Society's activities are limited to operating a Zoo located on land owned by the County. Ongoing, the Society receives infrastructure support determined on an annual basis and subject to County preapproval.

Concentration of Credit Risk

The Society maintains all its cash accounts in two banks. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC). Maximum FDIC insurance coverage of the Society's deposits was \$250,000 at October 31, 2022 and 2021. The Society had uninsured amounts at October 31, 2022 and 2021 of approximately \$1,875,891 and \$1,873,620, respectively. While the Society maintains cash balances which may exceed the FDIC's insured limits, it has not experienced any credit-related losses.

Income Taxes

The Society is a nonprofit Society that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society follows the guidance of ASC-740-10, *Accounting for Uncertainty in Income Taxes*. The Society may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. There were no unrecognized tax benefits identified or liabilities recorded for the years ended October 31, 2022 and 2021.

The Society files its Form 990, Return of Society Exempt from Income Tax, with the United States Internal Revenue Service (IRS). The Society's returns remain open to examination by the Internal Revenue Service for the years ending October 31, 2019, 2020, 2021, and 2022.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Accounting for Paycheck Protection Program (PPP)

The Society may account for a Paycheck Protection Program (PPP) loan as a financial liability in accordance with FASB ASC Topic 470, Debt, or under other models, if certain conditions are met. If the Society expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven, the Society may account for the PPP loan in accordance with ASC Subtopic 958-605 as a conditional contribution. The Society elected the debt method. Under this method, the Society recorded a debt liability on the Statement of Financial Position and subsequently recognized revenue from the extinguishment of debt once forgiveness had been determined by the Small Business Administration. On April 28, 2020, the Society received \$359,200 under the Paycheck Protection Program. On May 27, 2021, the Society's PPP loan was forgiven in full.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (the "CA Act") was signed. Included in the CA Act is the second round of Paycheck Program loans for businesses facing significant revenue declines in any 2020 quarter compared to the same quarter in 2019. Eligible second-time borrowers were required to have 300 or fewer employees, a 25% gross revenue decline during any quarter in 2020 as compared to the same quarter in 2019, and have used or will use the full amount of the first Paycheck Protection loan. The second round of Paycheck Program loans are capped at the lesser of 2.5x a borrower's LTM average monthly payroll consisting of no more than \$100,000 per employee plus health and retirement benefits, or \$2,000,000 per borrower. The Organization has the option to choose the length of the covered period of expenses of not fewer than eight weeks, but no longer than twenty-four weeks. On January 31, 2021, the Society received \$359,422 under the Paycheck Protection Program. On October 25, 2021, the Society's second PPP loan was forgiven in full.

Employee Retention Credit

The CARES Act extended Employer Retention Credit ("ERC") through September 30, 2021. The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages paid to an employer after March 12, 2020, and before January 1, 2021, capped at \$5,000 per employee. For 2021, the ERC amount is increased to 70% of qualified wages paid to an employee, capped at \$7,000 per employee per quarter.

The Society determined it is eligible for the ERC for the period October through December 31, 2020, based on having a 20% or more decline in gross receipts compared to 2019 in quarter 4. The Society computed the credits to total \$161,863, which are included in Government Grant revenue on the Statements of Activities. Amount was received in full during 2022.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

3. Leasehold Improvements and Equipment, Net

Leasehold improvements and equipment consist of the following:

	2022	2021
Leasehold Improvements	\$ 1,985,581	\$ 1,884,133
Equipment	718,711	695,832
	2,704,292	2,579,965
Accumulated Depreciation	(1,117,015)	(1,010,089)
	\$ 1,587,277	\$ 1,569,876

Depreciation charged to expense was \$148,020 and \$142,571 for the years ended October 31, 2022 and 2021, respectively.

4. Line of Credit

The Society has a \$250,000 line of credit with a bank that expires on December 31, 2049, and is payable on demand. On October 31, 2022 and 2021, the interest rate was 7.0% and 3.25%, respectively and interest paid on the line of credit was \$270 and \$963, respectively. The outstanding balance at October 31, 2022 and 2021 was \$0- and \$5,700, respectively.

5. Leases

On February 12, 2020, the Society entered into a fifteen-year lease (the Lease) for the Zoo with the County. Rent for the facility under the Lease is \$1 per year through January 21, 2035.

The Society leases equipment under long-term lease agreements. The equipment leases expire in 2027. Rental expenses for the years ended October 31, 2022 and 2021 were \$9,138 and \$16,675, respectively.

Minimum lease payments for leases as of October 31, 2022 are as follows:

	Operating
Year ending October 31,	
2023	\$ 4,515
2024	4,515
2025	4,515
2026	4,515
2027	3,387
Thereafter	-
Total Minimum Lease Payments	\$ 21,447

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

6. Loans Payable

	2022	2021
Economic Injury Disaster Loan, Payable in monthly installments of \$641, including principal and interest at 2.75%, beginning February, 2023 Matures February, 2053. Secured by a blanket lien.	<u>\$ 149,900</u>	<u>\$ 149,900</u>
	<u>\$ 149,900</u>	<u>\$ 149,900</u>

Maturities of the long-term debt are as follows:

Year ended October 31,		
2023	\$	2,447
2024		3,756
2025		3,861
2026		3,968
2027		4,079
Thereafter		<u>131,789</u>
		<u>\$ 149,900</u>

Interest expense for the related loans was \$4,122 and \$4,809 for the years ended October 31, 2022 and 2021, respectively.

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

7. Net Assets With Donor Restrictions

The Society's net assets with donor restrictions as of October 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Purpose Restrictions:		
Education	\$ -	\$ 7,500
Education Vehicle	1,000	-
Habitat Madagascar	115,991	98,394
Front Entrance	275	275
EITC	-	17,500
Oryx and Camel Exhibit	6,000	17,000
Penguin Exhibit	-	14,084
	<u> </u>	<u> </u>
Total Net Assets With Donor Restrictions	<u>\$ 123,266</u>	<u>\$ 154,753</u>

8. Net Assets Released From Restrictions

Net assets were released from restrictions during the year by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	<u>2022</u>	<u>2021</u>
Oryx and Camel Exhibit	\$ 11,000	\$ -
Habitat Madagascar	72,738	-
Conservation Education	7,500	3,000
EITC	20,000	3,000
Marketing	32,000	32,000
Marketing - WLS	2,500	-
North American Animal Exhibit	-	1,000
Penguin Exhibit	106,815	6,916
Specific Animal Care	-	5,450
Volunteer/Docent Program	-	439
ZAP Education Program	5,000	-
	<u> </u>	<u> </u>
Total Net Assets Released From Restrictions	<u>\$ 257,553</u>	<u>\$ 51,805</u>

LEHIGH VALLEY ZOOLOGICAL SOCIETY
(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
October 31, 2022 and 2021

9. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date Statements of Financial Position, consist of the following:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 2,139,115	\$ 2,133,126
Contributions Receivable	57,252	206,967
Net Assets With Donor Restrictions	<u>(123,266)</u>	<u>(154,753)</u>
	<u>\$ 2,073,101</u>	<u>\$ 2,185,340</u>

As described in Note 4, the Society has a line of credit with available funds of \$250,000 as of October 31, 2022, which it could draw upon in the event of an anticipated liquidity need.

10. Subsequent Events

Management has evaluated subsequent events through March 20, 2023 the date on which the financial statements were available to be issued and has determined that there were no material subsequent events exist that require disclosure.