



**Atlanta-Fulton County Zoo, Inc.
and Subsidiaries**

Consolidated Financial Statements

December 31, 2025

(with summarized information for the year ended December 31, 2024)

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of
Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Atlanta-Fulton County Zoo, Inc. and Subsidiaries (Zoo Atlanta), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Atlanta-Fulton County Zoo, Inc. and Subsidiaries as of December 31, 2025, and the results of their activities 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Zoo Atlanta 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 Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Zoo Atlanta's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Zoo Atlanta's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Zoo Atlanta's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the consolidated financial statements of the Atlanta-Fulton County Zoo, Inc. and Subsidiaries as of and for the year ended December 31, 2024, and we expressed an unmodified opinion on those consolidated financial statements in our report dated May 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Windham Brannon, LLC

May 28, 2026

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Consolidated Statements of Financial Position December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 10,235,215	\$ 13,468,889
Accounts receivable	2,645,682	2,684,274
Prepaid expenses and other assets	783,751	861,625
Pledges receivable, net of discounts	5,910,068	761,654
Investments	15,826,088	13,674,963
Property and equipment, net of accumulated depreciation	90,716,295	86,219,437
Animal collections	1	1
Total assets	\$ 126,117,100	\$ 117,670,843
Liabilities and net assets		
Accounts payable	\$ 1,613,704	\$ 1,864,723
Accrued expenses	4,656,472	3,585,853
Deferred revenue	1,084,378	1,293,908
Total liabilities	7,354,554	6,744,484
Net assets		
Without donor restrictions	92,553,827	96,187,361
With donor restrictions	26,208,719	14,738,998
Total net assets	118,762,546	110,926,359
Total liabilities and net assets	\$ 126,117,100	\$ 117,670,843

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Consolidated Statements of Activities For the Year Ended December 31, 2025 (with summarized totals for the year ended December 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Support				
Contributions	\$ 3,411,512	\$ 12,336,215	\$ 15,747,727	\$ 3,187,761
Contributed goods and services	278,467	-	278,467	697,887
Total support	3,689,979	12,336,215	16,026,194	3,885,648
Revenues				
Admissions	12,683,401	-	12,683,401	15,883,296
Concession and rental sales	5,039,177	-	5,039,177	6,210,979
Membership fees	4,173,968	-	4,173,968	4,646,010
Conservation and education	1,331,646	-	1,331,646	1,679,104
Special events	984,583	-	984,583	932,827
Sponsorships	906,086	-	906,086	862,532
Other income	497,527	-	497,527	617,699
Investment income	800,226	1,533,789	2,334,015	2,994,886
Total revenues	26,416,614	1,533,789	27,950,403	33,827,333
Net assets released from restrictions:				
Satisfaction of program restrictions	2,400,283	(2,400,283)	-	-
Total support and revenues	32,506,876	11,469,721	43,976,597	37,712,981
Expenses				
Program services				
Operations	10,727,458	-	10,727,458	10,334,072
Animal management	10,607,205	-	10,607,205	10,032,702
Concessions and rental events	4,862,741	-	4,862,741	6,047,130
Conservation and education	3,634,831	-	3,634,831	4,064,093
Marketing	1,556,865	-	1,556,865	1,465,099
Membership	878,749	-	878,749	895,189
Contributed goods and services	103,321	-	103,321	531,565
Total program services	32,371,170	-	32,371,170	33,369,850
Support services				
General administration	1,982,308	-	1,982,308	2,111,191
Development	1,287,823	-	1,287,823	1,302,989
Marketing	323,963	-	323,963	264,782
Contributed goods and services	175,146	-	175,146	166,322
Total support services	3,769,240	-	3,769,240	3,845,284
Total expenses	36,140,410	-	36,140,410	37,215,134
Change in net assets before non-controlling activity	(3,633,534)	11,469,721	7,836,187	497,847
Net assets, beginning of year	96,187,361	14,738,998	110,926,359	111,238,299
Priority return dividend to non-controlling member	-	-	-	(530,242)
Purchase of shares from non-controlling member	-	-	-	(279,545)
Net assets, end of year	\$ 92,553,827	\$ 26,208,719	\$ 118,762,546	\$ 110,926,359

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

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses For the Year Ended December 31, 2025 (with summarized totals for the year ended December 31, 2024)

	Program Services							Support Services					Totals		
	Operations	Animal Management	Concessions and Rental Events	Conservation and Education	Marketing	Membership	Contributed Goods and Services	Total Program Services	General Administration	Development	Marketing	Contributed Goods and Services	Total Support Services	2025	2024
Salaries and benefits	\$ 4,342,586	\$ 6,519,621	\$ 1,856,963	\$ 2,508,652	\$ 393,329	\$ 493,600	\$ -	\$ 16,114,751	\$ 1,338,494	\$ 614,378	\$ 168,570	\$ -	\$ 2,121,442	\$ 18,236,193	\$ 17,928,819
Cost of goods sold	-	-	258,001	-	-	-	-	258,001	-	-	-	-	-	258,001	313,043
Professional fees	242,367	124,448	29,376	77,580	339,040	-	-	812,811	148,035	239,623	145,303	-	532,961	1,345,772	1,156,682
Advertising	-	-	302,610	-	801,887	163,449	-	1,267,946	-	200	1,137	-	1,337	1,269,283	1,413,883
Office supplies, printing, and postage	447,764	137,833	29,807	352,822	16,103	156,401	-	1,140,730	6,084	23,006	6,876	-	35,966	1,176,696	1,112,203
Travel	36,381	43,847	7,970	64,040	-	-	-	152,238	4,121	-	-	-	4,121	156,359	158,701
Depreciation	1,427,218	2,850,474	1,290,282	219,267	-	-	-	5,787,241	175,414	-	-	-	175,414	5,962,655	5,311,619
Insurance	766,897	-	10,000	-	-	-	-	776,897	-	-	-	-	-	776,897	919,709
Utilities	1,504,525	-	-	-	-	-	-	1,504,525	-	-	-	-	-	1,504,525	1,434,929
Animal food and husbandry	-	826,602	-	-	-	-	-	826,602	-	-	-	-	-	826,602	784,589
Outside contracts	1,343,181	61,963	573,029	32,334	146	8,748	-	2,019,401	217,230	70,032	62	-	287,324	2,306,725	2,710,508
Program costs and panda conservation	-	-	-	291,633	-	-	-	291,633	-	-	-	-	-	291,633	889,607
Event costs	32,979	-	453,647	452	-	6,933	-	494,011	308	171,703	-	-	172,011	666,022	818,374
General repairs and maintenance	437,225	7,193	42,270	22,560	-	-	-	509,248	1,350	83,911	-	-	85,261	594,509	998,205
Other	146,335	35,224	8,786	65,491	6,360	49,618	-	311,814	91,272	84,970	2,015	-	178,257	490,071	566,376
Contributed goods and services	-	-	-	-	-	-	103,321	103,321	-	-	-	175,146	175,146	278,467	697,887
Total	\$ 10,727,458	\$ 10,607,205	\$ 4,862,741	\$ 3,634,831	\$ 1,556,865	\$ 878,749	\$ 103,321	\$ 32,371,170	\$ 1,982,308	\$ 1,287,823	\$ 323,963	\$ 175,146	\$ 3,769,240	\$ 36,140,410	\$ 37,215,134

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

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Consolidated Statements of Cash Flows For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets before non-controlling activity	\$ 7,836,187	\$ 497,847
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized gain on investments	(655,031)	(111,375)
Unrealized gain on investments	(1,130,207)	(1,839,888)
Depreciation expense	5,962,655	5,311,619
(Gain) loss on disposal of property and equipment	(290,264)	47,596
(Increase) decrease in assets:		
Accounts receivable	38,592	(506,887)
Prepaid expenses and other assets	77,874	(166,668)
Pledges receivable	(5,148,414)	2,608,761
Increase (decrease) in liabilities:		
Accounts payable	67,657	20,819
Accrued expenses	(254,776)	(464,084)
Deferred revenue	(209,530)	379,453
Net cash provided by operating activities	6,294,743	5,777,193
Cash flows from investing activities		
Purchase of investments	(658,131)	(312,970)
Proceeds from sale of investments	292,244	191,257
Proceeds from disposal of property and equipment	360,705	-
Purchase of property and equipment	(9,523,235)	(14,735,766)
Net cash used in investing activities	(9,528,417)	(14,857,479)
Cash flows from financing activities		
Priority return dividend paid to non-controlling member	-	(530,242)
Purchase of shares from non-controlling member	-	(279,545)
Net cash used in financing activities	-	(809,787)
Net change in cash and cash equivalents	(3,233,674)	(9,890,073)
Cash and cash equivalents, beginning of year	13,468,889	23,358,962
Cash and cash equivalents, end of year	\$ 10,235,215	\$ 13,468,889
Supplemental disclosure of cash flow information		
Barter exchange of admission tickets for advertising services	\$ 3,000	\$ 6,501
Property and equipment in accounts payable and accrued expenses	\$ 2,512,231	\$ 1,505,512

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

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

1. Organization and Summary of Significant Accounting Policies

The Atlanta-Fulton County Zoo, Inc. and Subsidiaries (Zoo Atlanta or the Zoo) is a non-profit organization. Zoo Atlanta is an accredited member of the Association of Zoos and Aquariums (AZA). Zoo Atlanta's mission is to save wildlife and their habitats through conservation, research, education and engaging experiences. Its efforts connect people to animals and inspire conservation action.

Since 1985, the City of Atlanta (the City) and the Fulton County Recreation Authority (the Authority) have maintained a governmental and operating agreement which empowered the Authority with, among other things, the right to equip, maintain and operate Zoo Atlanta and the right to make additions, deletions, modifications and changes to the leasehold. The agreement also authorized the Authority to issue revenue bonds to provide for Zoo Atlanta's improvements, enhancements and renovations. This agreement was renewed in June 2007, then amended in December 2017 for a term not to exceed 50 years. In the event of termination of the agreement, the leasehold assets of Zoo Atlanta revert back to the City.

Principles of Consolidation

The consolidated financial statements include the accounts of Zoo Atlanta and the Zoological Foundation of Georgia, Inc. (Zoo Georgia). Zoo Georgia is controlled by Zoo Atlanta, and is a separately incorporated Georgia non-profit organization formed to enlarge and expand the vision of conservation. The consolidated financial statements include activities of Savanna Hall, ZA LL, LLC (SH Landlord), Savanna Hall, ZA Mgr, LLC (SH Manager), and Savanna Hall, ZA MT, LLC (SH Master Tenant), through December 18, 2024, at which time SH Landlord, SH Manager, and SH Master Tenant received their certificate of termination and all assets and liabilities of the entities were assumed by Zoo Atlanta (Note 13). All inter-organizational transactions and balances have been eliminated in consolidation.

Zoo Georgia is a wholly-owned subsidiary of Zoo Atlanta. SH Manager was a wholly-owned subsidiary of Zoo Atlanta until it was terminated on December 18, 2024.

SH Master Tenant was an entity in which SH Manager held a 1% interest and the remaining 99% interest was owned by an outside investor. SH Manager was the managing member and had significant influence, including the ability to control all the activities of SH Master Tenant. Therefore, SH Master Tenant's 2024 financial statements have been consolidated into the Zoo Atlanta's 2024 consolidated financial statements. The outside investor's 99% interest was considered to be non-controlling interest (Note 11). On December 12, 2024, the outside investor exercised their put option and exited the investment. Subsequent to that transaction SH Manager was terminated (Note 13).

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Notes to Consolidated Financial Statements December 31, 2025 and 2024

Through December 18, 2024, SH Landlord was an entity in which SH Manager held a 90% interest and SH Master Tenant held the remaining 10% interest. SH Manager had the ability to control the activities of SH Landlord and was the primary beneficiary; therefore, SH Landlord's 2024 financial statements have been consolidated in the Zoo Atlanta's 2024 consolidated financial statements. As a result of the transaction with SH Manager, SH Landlord and SH Master Tenant were terminated effective December 18, 2024.

Basis of Accounting and Financial Reporting

The accompanying consolidated financial statements are presented on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred.

These consolidated financial statements are prepared in accordance with standards set by the Financial Accounting Standards Board (FASB). Zoo Atlanta is required to classify information regarding its consolidated statements of financial position and activities in two classes of net assets: without donor restrictions and with donor restrictions.

A description of the two net asset categories is as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations, including board designated endowments.

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations that can be fulfilled by actions of Zoo Atlanta pursuant to those stipulations, that expire by the passage of time, or that require the donated assets be maintained permanently by Zoo Atlanta.

Expenses in the consolidated statements of activities have been reported by the functional classifications, major classes of program services and supporting activities. Program services are the activities that result in goods and services distributions to beneficiaries, members or visitors, and which fulfill the purposes or mission for which Zoo Atlanta exists. Supporting programs are all the other activities of Zoo Atlanta other than program services. Costs have been allocated among the programs and supporting services based on headcount, space, or usage.

Prior Year Summarized Information

The consolidated statement of activities and the consolidated statement of functional expenses for 2024 include summarized information in total. Accordingly, such information should be read in conjunction with Zoo Atlanta's audited consolidated financial statements as of and for the year ended December 31, 2024, from which the summarized information was derived.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions which affect the amounts reported in the consolidated financial statements and accompanying notes. Actual amounts could differ from those estimates.

Cash and Cash Equivalents

Zoo Atlanta maintains balances in cash at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). From time to time, balances may exceed FDIC insured limits. Cash and cash equivalents include cash and all highly-liquid debt instruments with an original maturity of 90 days or less at the time of purchase. Zoo Atlanta monitors the cash balances in its operating accounts and adjusts the cash balances as appropriate; however, the cash balances could be impacted if the underlying financial institutions fail or are subject to other adverse conditions in the financial markets. To date, Zoo Atlanta has experienced no loss or lack of access to the cash in its operating accounts. At December 31, 2025 and 2024, the cash balances related to net assets with donor restrictions were \$5,426,246 and \$2,915,647, respectively.

Animal Collections

Zoo Atlanta's animal collection consists of animals purchased by Zoo Atlanta and animals that have been loaned to Zoo Atlanta. These assets are recorded at the nominal value of one dollar in the accompanying consolidated financial statements. Animal acquisition costs are expensed when incurred. Zoo Atlanta has the right to, among other things, acquire, borrow, sell, loan and otherwise transfer and convey animals as considered reasonable and proper for the operation and maintenance of Zoo Atlanta.

Allowance for Doubtful Accounts for Pledges Receivable

Zoo Atlanta maintains an allowance for doubtful accounts for pledges based upon the expected collectability of the pledges using such factors as prior collection history, nature of receivable, and current economic trends. When amounts are believed to be uncollectible, an allowance is provided against the pledge receivable and an amount is charged to bad debt expense.

Allowance for Credit Losses for Accounts Receivable

The allowance for credit losses is determined by management if applicable at the end of each reporting period. The Zoo performs an assessment of accounts receivable and identifies pools of similar assets within the accounts receivable portfolio, based on the Zoo's historical loss information. The risk characteristics of the receivables in each pool include similar payment terms, historical and expected credit loss patterns, and forecast period. When a receivable no longer shares

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risk characteristics to other assets in the pool, the receivable is evaluated individually. Receivables are charged off when, in management's judgment, the likelihood of collection is remote. During 2025 and 2024, there was no activity in the allowance for credit losses as the allowance for credit losses was determined to be trivial.

Investments

Investments are carried at fair value, except for the cash surrender value of life insurance, which is carried at its surrender value. Generally accepted accounting principles (GAAP) defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. Investments consist primarily of equity and bond mutual funds. Mutual funds are valued at quoted market prices for the identical security in an active market (Level 1).

In determining fair value, Zoo Atlanta uses various valuation approaches. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of Zoo Atlanta. Unobservable inputs are inputs that reflect Zoo Atlanta's estimates of the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs, with Level 3 having the highest level of unobservable inputs. At December 31, 2025 and 2024, Zoo Atlanta's investments carried at fair value are all considered to be Level 1.

Donated investment securities are liquidated upon receipt and therefore not included in purchases and sales of investments on the consolidated statements of cash flows.

Property, Equipment, and Leasehold Interest

The land used by Zoo Atlanta is owned by the City of Atlanta, and is therefore not recorded in the accompanying consolidated financial statements. The City has provided to the Authority and the Authority in turn has provided to Zoo Atlanta free from rent, a leasehold interest (the Leasehold) in all real and personal properties comprising the Leasehold for the purpose of operating, maintaining, and improving Zoo Atlanta for a term not to exceed 50 years, expiring in 2067 (as amended). Consistent with prior years, the fair value of the lease has not been reflected in the accompanying consolidated financial statements because objective valuation information is not available due to the unique characteristics of the land.

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Notes to Consolidated Financial Statements December 31, 2025 and 2024

Expenditures for additions and improvements that extend the useful lives of assets are capitalized at cost, and expenditures for maintenance and repairs are charged to operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Construction in progress is stated at cost, which includes the costs of construction and other direct costs attributable to the construction, and is not depreciated until it is placed into service.

The Zoo reviews long-lived assets, such as property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the years ended December 31, 2025 and 2024, no such events or changes were recognized.

Leases

Zoo Atlanta leases certain office equipment under non-cancellable operating lease agreements. Management determines whether an arrangement is, or contains, a lease at inception.

Short-Term Leases—Accounting Standards Codification (ASC) 842, *Leases*, defines a short-term lease as a lease that, at the commencement date, has a lease term of twelve months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. The Zoo elected to apply the practical expedient available to not recognize operating lease right-of-use (ROU) assets and operating lease liabilities related to short-term leases. Accordingly, amounts paid for short-term leases are recognized in expense as incurred.

Leases Capitalization—Zoo Atlanta has made policy elections on capitalization thresholds for the recognition of ROU assets and lease liabilities, considering the materiality to the consolidated financial statements overall, individually and in the aggregate. For such leases considered below the threshold, the lease payments will be recognized in expense as incurred.

As of December 31, 2025 and 2024, all of Zoo Atlanta's leases are considered to be short-term leases or did not meet the capitalization threshold; therefore, there is no ROU asset or lease liability recorded. Operating lease expense for the years ended December 31, 2025 and 2024 was \$41,531 and \$89,540, respectively, and is included in operations expense on the consolidated statements of activities.

Income Taxes

Atlanta-Fulton County Zoo, Inc. and Zoo Georgia are non-profit organizations and are exempt under Section 501(c)(3) of the Internal Revenue Code (the Code) from federal, state and local income taxes, whereby only unrelated business income, if any, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. These entities did not have any material unrelated business income tax for the years ending December 31, 2025 and 2024.

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SH Manager elected a 168(h) election for tax purposes, and was therefore subject to income taxes. Prior to the entity's termination (Note 13), deferred income tax assets and liabilities were computed for differences between the financial statement and income tax basis of assets and liabilities of SH Manager that could result in taxable or deductible amounts in the future. Income tax expense is the income tax payable or refundable for the period plus or minus the change during the period in deferred income tax assets and liabilities. For the year ended December 31, 2024, SH Manager used approximately \$18,000 of federal NOLs, \$9,000 of state NOLs, and \$930 of its federal tax credits. SH Manager owed approximately \$100 in state taxes for the year ended December 31, 2024.

SH Landlord and SH Master Tenant were limited liability companies. In lieu of income taxes, the members were taxed on their proportionate share of income of SH Landlord and SH Master Tenant. Zoo Atlanta's proportional share of income or loss was passed through to SH Manager and subsequently taxed.

Management of the Zoo considers the likelihood of changes by taxing authorities in its income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Zoo's status as a non-profit entity. Management believes the Zoo met the requirements to maintain its tax-exempt status and has appropriately reported and filed income subject to unrelated business income tax. The provision for unrelated business income taxes is reported as an expense in these consolidated financial statements. The Zoo's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

Revenue Recognition

Under ASC 606, *Revenue from Contracts with Customers* (ASC 606), the amount of revenue recognized for any goods or services reflects the consideration that Zoo Atlanta expects to be entitled to receive in exchange for these goods or services. To achieve this core principle, Zoo Atlanta applies the following five-step approach: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to performance obligations in the contract; and (5) recognize revenue when or as a performance obligation is satisfied. Zoo Atlanta determines the accounting treatment for each contract at inception in accordance with ASC 606 and has no deferred incremental costs of obtaining a contract.

Performance Obligations—A performance obligation is a promise in a contract to transfer a distinct good or service to a customer and is the unit of account in ASC 606. This good or service must be distinct within the context of the contract. The transaction price of a contract is allocated to each distinct performance obligation and is recognized as revenue when, or as, the performance obligation is satisfied. To the extent a contract is deemed to have multiple performance obligations, management allocates the transaction price of the contract to each performance

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obligation using their best estimate of the standalone selling price of each distinct good or service in the contract.

Performance Obligations Satisfied Over Time—Zoo Atlanta has determined that the performance obligations associated with certain sponsorships are satisfied over time. Zoo Atlanta uses the output method to estimate the revenue of these services over time as the performance obligation is met, which is typically monthly over the term of the contract.

Performance Obligations Satisfied at a Point in Time—Performance obligations that do not meet the criteria to be recognized over time are required to be recognized at a point in time, whereby revenues are recognized only when a performance obligation is complete. In determining when a performance obligation is complete for revenues recognized at a point in time, management measures transfer of control considering physical possession of the good or service, and Zoo Atlanta's rights to payment.

Contributions—Unconditional contributions are recognized as support to Zoo Atlanta in the period received or pledged in accordance with ASC 958-605, *Not-for-Profit Entities—Revenue Recognition—Contributions Received* (ASC 958-605). Contributions with donor-imposed restrictions are classified as with donor restrictions according to the donor stipulations. Contributions received with donor-imposed restrictions, where those restrictions are met within the same year are recorded as without donor restrictions.

Government Support—Government support consists of amounts received from government agencies and is recognized in accordance with ASC 958-605. During 2025 and 2024, the Zoo did not receive any government support. Amounts received from the 2007 Zoo Series Revenue Bonds for reimbursement of costs for depreciable assets, which are required to be maintained for their estimated lives, were previously recognized as support with donor restrictions, and are released from restrictions evenly over the estimated useful lives of those depreciable assets.

Contributed Goods and Services—Zoo Atlanta receives contributed goods and services from individuals and other organizations, which is recognized in accordance with ASC 958-605. The fair value of which is recorded in the consolidated financial statements as revenue and expense in the period received.

Admissions, Concessions and Rental Sales, and Special Events—Revenue from admissions and concessions is recognized at a point in time when the sale occurs and the performance obligation is met in accordance with ASC 606. A portion of revenues from concessions and rental sales are commission-based and calculated on a percentage of the vendor's sales. These commission-based sales are typically billed and recognized monthly. Revenue from rentals, events, and educational events are recognized at a point in time, in the period the event or program occurs once the performance obligation is met in accordance with ASC 606.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

Membership Fees—Membership fees are considered a contribution to the Zoo and are recorded in accordance with ASC 958-605. Revenue from memberships are recorded at the time of sale.

Conservation and Education—Revenues related to conservation and education programs are recognized in accordance with ASC 606. These programs include camps, Nightcrawler events, school fieldtrips and programs, and the Zoo’s Wild Encounters programs. Conservation and education revenues are recognized at a point in time when the performance obligation is considered met in accordance with ASC 606.

Sponsorships—Revenue from sponsorships is recognized at a point in time or over the term of the sponsorship agreement as the performance obligation is met, depending on the agreement, in accordance with ASC 606. Amounts earned but not yet received are included in accounts receivable in the consolidated statements of financial position. Amounts received but not recognized are deferred and included in deferred revenue in the consolidated statements of financial position. The balances of accounts receivable and deferred revenues at January 1, 2024 were \$2,177,387 and \$914,455 respectively.

The Zoo provides admission tickets in exchange for advertising services. The Zoo’s barter transactions are recorded at the estimated fair value of the assets exchanged. The Zoo determined that using the online full price admission ticket for determining the value of the barter transaction was the most reliable and reasonable determination of the fair value of the transaction. Barter revenue and advertising expense were recognized when the advertising or other services are delivered to the Zoo. For the years ended December 31, 2025 and 2024, the Zoo recognized \$3,000 and \$6,501, respectively, of in-kind advertising revenues and in-kind advertising expenses from barter transactions.

Advertising

Advertising costs are expensed as incurred. Advertising expense, excluding the barter transactions, was \$1,269,283 and \$1,413,883 for the years ended December 31, 2025 and 2024, respectively, and is recorded in advertising expenses in the accompanying consolidated statements of functional expenses.

Sales Tax

Zoo Atlanta presents sales taxes on a net basis in the accompanying consolidated financial statements. Amounts collected and remitted totaled \$1,170,373 and \$1,516,689 for the years ended December 31, 2025 and 2024, respectively.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

Reclassification

Certain amounts in the 2024 consolidated financial statements have been reclassified to conform to the 2025 presentation. The effects of these reclassifications are not considered material to the consolidated financial statements as a whole.

Subsequent Events

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through May 28, 2026, which is the date the consolidated financial statements were available to be issued.

2. Liquidity and Availability of Financial Assets

The following reflects the Zoo's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

	2025	2024
Cash	\$ 10,235,215	\$ 13,468,889
Accounts receivable	2,645,682	2,684,274
Pledges receivable, net	5,910,068	761,654
Investments	15,826,088	13,674,963
Total financial assets	34,617,053	30,589,780
Less contractual or donor-imposed restrictions:		
Subject to appropriation and satisfaction of donor restrictions	(11,099,628)	(3,517,300)
Endowment	(11,056,179)	(9,900,484)
Financial assets available to meet cash needs for general expenditures within one year	\$ 12,461,246	\$ 17,171,996

The Zoo has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Zoo may, at times, invest cash in excess of daily requirements in various short-term investments. The Zoo also has a line of credit available which allows for borrowings up to \$5,000,000, that could be drawn upon in the event of an unanticipated liquidity event.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

3. Revenue Recognition

ASC 606 requires disaggregated revenue disclosures regarding the timing of transfer.

The Zoo's revenue recognized under ASC 606 by revenue recognition methodology is as follows:

	2025	2024
Over time	\$ 762,902	\$ 596,167
Point in time	20,181,991	24,972,571
	\$ 20,944,893	\$ 25,568,738

Membership fees, other income, and investment income are excluded from revenue recognition under ASC 606 (Note 1).

4. Pledges Receivable

Pledges receivable at December 31, 2025 and 2024, were as follows:

	2025	2024
Without donor restrictions	\$ 237,850	\$ 160,000
With donor restrictions	5,819,500	614,411
Total pledges receivable	\$ 6,057,350	\$ 774,411
Due in less than one year	\$ 3,660,682	\$ 607,743
Due in one to five years	2,396,668	166,668
	6,057,350	774,411
Less discount to net present value	(147,282)	(12,757)
Pledges receivable, net of discounts	\$ 5,910,068	\$ 761,654

Pledges to be received after one year are to be discounted to present value using the Zoo's effective borrowing rate. The Zoo's borrowing rate was the one-month Chicago Mercantile Exchange (CME) Term Secured Overnight Financing Rate (SOFR) plus 2.40% (6.17% and 6.76% as of December 31, 2025 and 2024, respectively). Amortization of the discount is recorded as an addition to revenue and recorded in accordance with donor-imposed restrictions, if any.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

Subsequent to year end, the Zoo received a contingent grant from a foundation that would contribute \$5,000,000 over a period of 10 years once certain conditions are met, as stated in the grant agreement. The Zoo expects to meet all conditions of the grant agreement and to recognize the grant income over the grant period as the conditions are met.

There was no activity in the allowance for doubtful accounts for pledges receivable for the years ended December 31, 2025 and 2024, as all pledges receivable are expected to be collectible.

5. Investments

Investments consisted of the following at December 31:

	2025	2024
Cash surrender value of life insurance, at surrender value	\$ 207,088	\$ 201,840
Money market fund	43,510	41,343
Equities, at fair value:		
International markets funds	797,682	33,937
Small-cap blend funds	1,027,073	934,742
Mid-cap blend funds	2,102,223	1,864,544
Large blend funds	10,778,711	9,792,406
Bonds, at fair value:		
Short-term bond funds	869,801	806,151
	\$ 15,826,088	\$ 13,674,963

Fair value is based on quoted prices available in active markets for identical securities. This is a Level 1 category as established by GAAP. Investments are exposed to various risks, such as interest rate, market, and credit risks.

Investment income for the year ended December 31, 2025 included a realized gain on investments of \$655,031 and an unrealized gain on investments of \$1,130,207. Investment income for the year ended December 31, 2024 included a realized gain on investments of \$111,375 and an unrealized gain on investments of \$1,839,888. For the years ended December 31, 2025 and 2024, investment income also included \$548,777 and \$1,043,623, respectively, in interest and dividend income. The increase in cash surrender value of life insurance is included in investment income.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

6. Property and Equipment

Property and equipment consisted of the following at December 31:

	Estimated Useful Life (Years)	2025	2024
Buildings, improvements, and exhibits	10-30	\$ 158,921,930	\$ 153,223,126
Machinery and equipment	3-7	15,076,000	14,265,027
Furniture and fixtures	7	4,345,876	4,168,214
Computer equipment	3-7	2,379,789	2,328,979
Vehicles	7	1,130,114	998,039
		181,853,709	174,983,385
Less accumulated depreciation		(97,278,612)	(91,699,237)
Construction-in-progress		6,141,198	2,935,289
		\$ 90,716,295	\$ 86,219,437

Depreciation expense for the years ended December 31, 2025 and 2024 totaled \$5,962,655 and \$5,311,619, respectively.

The Authority has the right to make additions, deletions, modifications, and changes to the Leasehold as required for the proper operation and maintenance of Zoo Atlanta by pledging the Leasehold as security for financing, if required. The Leasehold interest does not require payments of rent to the City or the Authority.

7. 2007 Zoo Series Revenue Bonds and Related Funds

In June 2007, the Authority issued \$14,315,000 of tax free revenue bonds and \$7,515,000 of taxable revenue bonds to support Zoo Atlanta in paying for the cost of various animal exhibits, certain infrastructure, facilities and equipment, improvements to the giant panda exhibit and required payments to the Chinese Association of Zoological Gardens in connection with Zoo Atlanta's giant panda loan agreement. During December 2022, the bonds were paid in full.

The 2007 Zoo Series Bond Resolution provides for the establishment of the following funds:

Sinking Fund—used for the payment of principal, interest, and premium, if any, on the 2007 Zoo Series bonds. Once the bonds were paid in full in 2022, no further amounts are required to be funded into the Sinking Fund.

Renewal and Extension Fund—used for the purpose of making additions, extensions, renewals, replacements or emergency repairs to Zoo Atlanta.

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Notes to Consolidated Financial Statements December 31, 2025 and 2024

Concurrent with the issuance of the 2007 Zoo Series Revenue Bonds, the City of Atlanta, Fulton County Recreation Authority and Zoo Atlanta entered into a Governmental Agreement Regarding Zoo Atlanta (the Governmental Agreement) and an Operating Agreement for Zoo Atlanta (the Operating Agreement), each for a period not to exceed 50 years. The Government Agreement and the Operating Agreement provide Zoo Atlanta the exclusive right to the use and possession of the Leasehold. In the event of termination of the Government Agreement and the Operating Agreement, all personal and real properties comprising the Leasehold will revert to the Authority.

Pursuant to the Governmental Agreement, for the duration of the operating agreement, if Zoo Atlanta exceeds certain levels of annual attendance, Zoo Atlanta must deposit payments into the Renewal and Extension Fund. The amount of the payment into the fund is equal to a percentage of revenues, as defined, for admissions in excess of annual attendance levels, as defined. If attendance is in excess of 900,000 but less than 1,000,000, 25% of the incremental admission revenues must be paid; 50% of the incremental admission revenues must be paid for attendance levels greater than 1,000,000 but less than 1,100,000; and 75% of the incremental admission revenues must be paid for attendance levels exceeding 1,100,000. Attendance levels for the years ended 2025 and 2024, were 816,026 and 973,921, respectively. There were no amounts due for the year ended December 31, 2025, as the Zoo did not exceed the attendance level in 2025. For the year ended December 31, 2024, \$124,000 was due related to 2024 attendance levels. Additionally under the agreement, Zoo Atlanta is required to contribute \$136,000 annually into the Renewal and Extension Fund, specific to the historic Cyclorama building, which can be used by the Zoo to fund capital improvements if certain requirements are met.

As of December 31, 2025 and 2024, \$594,000 and \$458,000, respectively, is due to the Authority under this agreement and included in accrued expenses on the consolidated statements of financial position. Additionally, as of December 31, 2025 and 2024, \$1,142,615 and \$1,006,615 is included in accounts receivable for amounts required to be funded to the Renewal and Extension Fund that can be used by Zoo Atlanta to fund capital improvements, if certain requirements are met as stated in the agreement and approved for reimbursement by the Authority.

8. Line of Credit

On June 11, 2024, the Zoo entered into an agreement with a bank for an unsecured revolving line of credit. The revolving line of credit allows for borrowings of up to \$5,000,000, with an interest rate of the one-month CME Term SOFR plus 2.40%, (6.17% and 6.76% as of December 31, 2025 and 2024, respectively), with an original maturity of August 11, 2025. In August 2025, the revolving line of credit was renewed for an additional year, extending the maturity date to August 21, 2026. For the years ended December 31, 2025 and 2024, there were no amounts drawn or outstanding on this line. The line of credit agreement includes certain non-financial and financial covenants. As of December 31, 2025 and 2024, the Zoo was in compliance with all covenants.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

9. Commitments and Contingencies

Commitments

Zoo Atlanta maintains agreements with independent contractors to perform waste management, pest control, security and janitorial services. These contracts are typically for either a year or project period and are based on a negotiated fixed fee or hourly rate.

During 2025, the Zoo entered into an agreement for approximately \$5,512,000, which includes change orders, with one construction contractor for the construction and completion of the panda habitat located at the Zoo. Costs incurred to date include construction, architect and engineering design fees, and equipment. The remaining costs estimated to complete the project total approximately \$886,000. As of December 31, 2025, approximately \$2,316,000 is included in accounts payable and accrued expenses for amounts owed under the contract and retainage payable in the accompanying 2025 consolidated statement of financial position. This project is expected to be completed and placed into service in 2026.

Contingencies

In 2018, Zoo Atlanta entered into a joint ten-year agreement with two vendors – one to provide in-park food concessions services and one to provide facilities rental and catering services. The agreement called for the remittance of a percentage of food service, facilities rental and catering services revenue from the vendors to Zoo Atlanta. As part of the agreement, the vendors made investments in property, leasehold improvements and equipment. The vendors will amortize these investments over a period of ten years from the date placed in service. The property and equipment is owned and maintained by the vendors until the termination of the agreement and therefore not recorded in the consolidated statements of financial position. In the event of material breach or early termination of the agreement, Zoo Atlanta would be required to purchase the property and equipment from the vendor at the predetermined net book value. Zoo Atlanta currently has no plans of terminating the agreement early; therefore, no accrual is recorded at December 31, 2025 or 2024 for a buy out of the property and equipment.

In 2021, Zoo Atlanta entered into an agreement through January 2028 with a vendor to operate on-site and e-commerce retail merchandise stores. As part of the agreement, the vendor will make investments in property, leasehold improvements, and equipment. The vendor will amortize these investments over a period of ten years from date placed in service. The property and equipment is owned and maintained by the vendors until the termination of the agreement and therefore not recorded in the consolidated statements of financial position. In the event of material breach or early termination of the agreement, Zoo Atlanta would be required to purchase the property and equipment from the vendor at the unamortized portion of the capital investment. Zoo Atlanta currently has no plans of terminating the agreement early and would expect to renew the agreement

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

when it ends; therefore, no accrual is recorded at December 31, 2025 or 2024 for a buyout of the property and equipment.

From time to time, Zoo Atlanta is subject to certain claims and litigation arising in the normal course of business. Zoo Atlanta is not aware of any necessary accruals or disclosures related to any such claims or litigation.

10. Net Assets with Donor Restrictions

Activity for net assets with donor restrictions for the years ended December 31, 2025 and 2024, was as follows:

	Balance at December 31, 2024	Investment Return, net	Contributions	Released From Restrictions	Balance at December 31, 2025
Endowments					
Subject to endowment spending policy and appropriation:					
Conservation	\$ 3,971,812	\$ 588,520	\$ -	\$ (153,520)	\$ 4,406,812
Research	4,053,743	601,228	-	(89,610)	4,565,361
Animal management	1,292,125	191,481	-	(47,443)	1,436,163
Facility maintenance	118,554	17,591	-	(1,670)	134,475
Education	464,250	49,118	-	-	513,368
Total endowments	9,900,484	1,447,938	-	(292,243)	11,056,179
Other with donor restricted net assets:					
Purpose Restricted					
Operating programs	1,367,170	35,876	624,573	(550,817)	1,476,802
Animal habitat project	3,471,344	49,975	11,711,642	(1,557,223)	13,675,738
Total	\$ 14,738,998	\$ 1,533,789	\$ 12,336,215	\$ (2,400,283)	\$ 26,208,719

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	Balance at December 31, 2023	Investment Return, net	Contributions	Released From Restrictions	Balance at December 31, 2024
Endowments					
Subject to endowment spending policy and appropriation:					
Conservation	\$ 3,461,613	\$ 653,324	\$ -	\$ (143,125)	\$ 3,971,812
Research	3,407,627	646,116	-	-	4,053,743
Animal management	1,124,063	212,198	-	(44,136)	1,292,125
Facility maintenance	103,088	19,462	-	(3,996)	118,554
Education	416,937	47,313	-	-	464,250
Total endowments	8,513,328	1,578,413	-	(191,257)	9,900,484
Other with donor restricted net assets:					
Purpose Restricted					
Operating programs	1,351,587	40,984	288,950	(314,351)	1,367,170
Animal habitat project	22,751,928	283,063	30,154	(19,593,801)	3,471,344
Total	\$ 32,616,843	\$ 1,902,460	\$ 319,104	\$ (20,099,409)	\$ 14,738,998

The Board of Directors of the Zoo has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Zoo classifies as with donor restrictions in permanent endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 donor-restricted endowment fund not classified in permanent endowment is classified as other with donor restricted net assets until those amounts are appropriated for expenditure by the Zoo in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Zoo considers the required factors in making a determination whether to appropriate or accumulate donor-restricted endowment funds.

The Zoo's investment policy is designed to combine the goal of total return and preservation of capital with prudent risk tolerance in order to allow investment managers the opportunity to achieve investment results consistent with the financial objectives and in a manner consistent with the values of the Zoo. The funds are diversified among cash and cash equivalents, various equity classes, and bond classes.

For the year ended December 31, 2025, the Zoo established an annual spending target to be no greater than 4.5% of the conservation endowment and no greater than 4.0% of the remaining endowment funds to provide support for research and conservation activities in addition to other operating expenses as determined by the Board of Directors. The percentages are applied to the

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

previous 12 quarter trailing average of endowment market value. Investment income can be accumulated if not used for current purposes.

11. Non-Controlling Interests

Zoo Atlanta recognized non-controlling interests for partially owned entities that were included in the consolidated financial statements. The non-controlling investor's share of current operations and net assets were summarized as follows through December 31, 2024:

	Total	Controlling Interests	Non-controlling Interests
Balance December 31, 2023	\$ 111,238,299	\$ 106,119,725	\$ 5,118,574
Change in net assets	497,847	612,593	(114,746)
Priority return dividend	(530,242)	-	(530,242)
Purchase of shares from non-controlling member for put option	(279,545)	4,194,041	(4,473,586)
Balance December 31, 2024	\$ 110,926,359	\$ 110,926,359	\$ -

For the year ended December 31, 2025, all consolidated entities were wholly-owned and there was no non-controlling interest.

12. Employee Benefit Plan

Zoo Atlanta sponsors a 403(b) tax deferred annuity plan (the Plan) that covers substantially all of its employees. The Plan provides for discretionary matching contributions. Zoo Atlanta's contributions associated with the Plan totaled \$244,081 and \$225,561 for the years ended December 31, 2025 and 2024, respectively.

13. Historic Tax Credits

In July 2014, the City of Atlanta announced the relocation and restoration of the historic Atlanta Cyclorama painting and other certain items to the Atlanta History Center. In 2015, the City of Atlanta provided that the Cyclorama building (the Facility) and an adjacent parcel of land were to be included under Zoo Atlanta's current Leasehold. Zoo Atlanta created a state-of-the-art event and community space overlooking a newly expanded African Savanna elephant habitat and also renovated Zoo Atlanta's entryway plaza.

The projects were paid for by private and philanthropic dollars as part of the Zoo's capital campaign *A Grand New View: Elephants, Events, and Expansion*. The Zoo also used federal and state historic tax credits to offset some of the related costs. The Cyclorama project was completed and placed into service in December 2019.

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Notes to Consolidated Financial Statements December 31, 2025 and 2024

The Zoo created three entities in order to be eligible for the federal and state historic tax credits (HTC). SH Manager, SH Master Tenant, and SH Landlord were established in order to facilitate the historic tax transaction. The project created approximately \$11 million in federal and state HTCs that would then be sold for \$0.90 for each \$1 worth of credits, prior to transaction expenses. In order to qualify for the federal and state HTCs, collectively the Zoo had to comply with various federal and state requirements. The requirements included the project being listed as a certified historic structure in the National Register, located in a registered historic district and certified by the Secretary of the Interior as being of historic significance to the district, the rehabilitation being performed in a manner consistent with standards established by the Secretary of the Interior, and receive the final certification from the Georgia Department of Natural Resources. During 2020, the Zoo met all requirements and received all necessary certifications and approvals. As of November 16, 2020, the Zoo was awarded and sold all available HTC amounts. Additionally, there was a requirement that the project must be held for a five-year period. The operating agreement for SH Master Tenant allows for the investor member to exercise a put option and exit the investment, for a price defined in the agreement.

On December 12, 2024, the investor member exercised their put option as defined in the operating agreement of SH Master Tenant. Under the Put Option Agreement, Zoo Atlanta was to pay an amount equal to 5% of the investor member's capital contribution into SH Master Tenant, which totaled \$279,545. Additionally, under the operating agreement, once the investor member exercised their put option, all unpaid asset management fees, special tax distributions, and any unpaid priority return dividends were due and payable at the time of the exercised put. Through the date of the put option, accrued management fees totaled \$50,849 and no priority dividends had been declared or paid. On December 12, 2024, Zoo Atlanta paid the investor member \$860,636, which included the put price of \$279,545, accrued asset management fees of \$50,849, and priority return dividends of \$530,242. After the put option was exercised and paid, all ownership interest in SH Master Tenant was transferred to SH Manager, a wholly-owned subsidiary of Zoo Atlanta. Effective December 18, 2024, the limited liability companies of SH Manager, SH Master Tenant, and SH Landlord were terminated. As these entities were wholly-owned subsidiaries of Zoo Atlanta immediately prior to the dissolution of these entities, in accordance with ASC 805, *Business Combinations*, all assets and liabilities were transferred to Zoo Atlanta at their carrying values.

14. Giant Panda Joint Research Agreement

In 2014, Zoo Atlanta and the Chinese Party entered into a ten-year agreement ending October 29, 2024, regarding joint research on the breeding of giant pandas to help save the endangered species. Under the agreement, Zoo Atlanta was obligated to make annual donations, which totaled \$5,000,000, to the Chinese Party for projects involving conservation, breeding, research, and protection of giant pandas. The payments were due on an annual basis of \$500,000 per year over the ten-year period. Remitting the payments under this agreement was contingent upon written approval by the U.S. Department of the Interior, Fish and Wildlife Service. Zoo

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

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Atlanta remitted all required payments under the agreement and amounts due and expended for year ended December 31, 2024 was \$458,333. For the above-mentioned purposes, these amounts are included in conservation and education expenses on the consolidated statements of activities. Consistent with the terms of the agreement, all giant pandas were returned to China in October 2024. As of December 31, 2024, Zoo Atlanta had no active agreements with the Chinese Party.

Under a previous agreement with the Chinese Party in 2007, Zoo Atlanta recorded a total obligation of \$350,000, a portion of which is payable directly to a local Atlanta university in support of a graduate student research assistantship for a Chinese student colleague or for a visiting scientist as agreed upon by both parties. For the year ended December 31, 2024, the Zoo paid \$58,768 for a visiting scientist. As of December 31, 2024, no further amounts were due under this agreement to the Chinese Party.

In 2025, the Zoo entered into a new agreement with the Chinese Party to support the research on breeding of giant pandas. Zoo Atlanta and the Chinese Party are currently working through various permitting requirements in order to bring two pandas to the Zoo.