



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

Consolidated Financial Statements
December 31, 2024 and 2023

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Table of Contents December 31, 2024 and 2023

Independent Auditor's Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7



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, 2024, 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, 2024, 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, 2023, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Windham Brannon, LLC

May 29, 2025

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Consolidated Statements of Financial Position December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 13,468,889	\$ 23,358,962
Accounts receivable	2,684,274	2,177,387
Prepaid expenses and other assets	861,625	694,957
Pledges receivable, net of discounts	761,654	3,370,415
Investments	13,674,963	11,601,987
Property and equipment, net of accumulated depreciation	86,219,437	77,247,168
Animal collections	1	1
Total assets	\$ 117,670,843	\$ 118,450,877
Liabilities and net assets		
Accounts payable	\$ 1,864,723	\$ 2,645,012
Accrued expenses	3,585,853	3,653,111
Deferred revenue	1,293,908	914,455
Total liabilities	6,744,484	7,212,578
Net assets		
Without donor restrictions	96,187,361	78,621,456
With donor restrictions	14,738,998	32,616,843
Total net assets	110,926,359	111,238,299
Total liabilities and net assets	\$ 117,670,843	\$ 118,450,877

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Consolidated Statements of Activities For the Year Ended December 31, 2024 (with summarized totals for the year ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Support				
Contributions	\$ 2,868,657	\$ 319,104	\$ 3,187,761	\$ 17,164,874
Government support	-	-	-	75,135
Contributed goods and services	697,887	-	697,887	372,046
Total support	3,566,544	319,104	3,885,648	17,612,055
Revenues				
Admissions	15,883,296	-	15,883,296	14,979,995
Concession and rental sales	6,210,979	-	6,210,979	5,672,414
Membership fees	4,646,010	-	4,646,010	4,501,755
Conservation and education	1,679,104	-	1,679,104	1,518,174
Special events	932,827	-	932,827	1,024,103
Sponsorships	862,532	-	862,532	514,199
Other income	617,699	-	617,699	745,734
Investment income	1,092,426	1,902,460	2,994,886	2,639,210
Total revenue	31,924,873	1,902,460	33,827,333	31,595,584
Net assets released from restrictions:				
Satisfaction of program restrictions	20,099,409	(20,099,409)	-	-
Total support and revenue	55,590,826	(17,877,845)	37,712,981	49,207,639
Expenses				
Program services				
Operations	10,334,072	-	10,334,072	9,285,483
Animal management	10,032,702	-	10,032,702	8,928,209
Concessions and rental events	6,047,130	-	6,047,130	6,182,224
Conservation and education	4,064,093	-	4,064,093	3,577,733
Marketing	1,465,099	-	1,465,099	1,438,637
Membership	895,189	-	895,189	807,266
Contributed goods and services	531,565	-	531,565	231,051
Total program services	33,369,850	-	33,369,850	30,450,603
Support services				
General administration	2,111,191	-	2,111,191	1,911,579
Development	1,302,989	-	1,302,989	1,189,166
Marketing	264,782	-	264,782	275,743
Contributed goods and services	166,322	-	166,322	140,995
Total support services	3,845,284	-	3,845,284	3,517,483
Total expenses	37,215,134	-	37,215,134	33,968,086
Change in net assets before non-controlling activity	18,375,692	(17,877,845)	497,847	15,239,553
Net assets, beginning of year	78,621,456	32,616,843	111,238,299	95,998,746
Priority return dividend to non-controlling member	(530,242)	-	(530,242)	-
Purchase of shares from non-controlling member	(279,545)	-	(279,545)	-
Net assets, end of year	\$ 96,187,361	\$ 14,738,998	\$ 110,926,359	\$ 111,238,299

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, 2024 (with summarized totals for the year ended December 31, 2023)

	Program Services								Support Services					Totals	
	Concessions and			Conservation and Education	Marketing	Membership	Contributed Goods and Services	Total Program Services	General Administration	Development	Marketing	Contributed Goods and Services	Total Support Services	2024	2023
	Operations	Animal Management	Rental Events												
Salaries and benefits	\$ 4,079,678	\$ 6,409,754	\$ 1,929,942	\$ 2,409,936	\$ 379,144	\$ 509,744	\$ -	\$ 15,718,198	\$ 1,443,486	\$ 604,645	\$ 162,490	\$ -	\$ 2,210,621	\$ 17,928,819	\$ 16,258,097
Cost of goods sold	-	-	313,043	-	-	-	-	313,043	-	-	-	-	-	313,043	283,946
Professional fees	165,980	26,738	174,593	103,705	209,904	-	-	680,920	158,132	227,671	89,959	-	475,762	1,156,682	1,112,393
Advertising	-	-	405,640	-	847,171	158,141	-	1,410,952	125	1,525	1,281	-	2,931	1,413,883	1,343,995
Office supplies, printing, and postage	460,294	155,535	33,069	257,264	15,598	147,503	-	1,069,263	15,248	21,007	6,685	-	42,940	1,112,203	943,464
Travel	45,894	43,057	5,960	55,263	-	3,996	-	154,170	3,010	1,521	-	-	4,531	158,701	131,011
Depreciation	620,065	2,519,016	1,823,752	193,770	-	-	-	5,156,603	155,016	-	-	-	155,016	5,311,619	4,811,753
Insurance	884,114	-	35,595	-	-	-	-	919,709	-	-	-	-	-	919,709	842,981
Utilities	1,323,961	-	110,968	-	-	-	-	1,434,929	-	-	-	-	-	1,434,929	1,272,400
Animal food and husbandry	-	784,589	-	-	-	-	-	784,589	-	-	-	-	-	784,589	767,845
Outside contracts	1,705,053	31,613	634,478	48,337	6,478	13,554	-	2,439,513	184,374	83,845	2,776	-	270,995	2,710,508	2,779,608
Program costs and panda conservation	-	-	-	889,607	-	-	-	889,607	-	-	-	-	-	889,607	998,612
Event costs	55,293	49	511,774	225	-	8,029	-	575,370	43,363	199,641	-	-	243,004	818,374	757,077
General repairs and maintenance	816,901	28,021	49,830	17,420	-	-	-	912,172	865	85,168	-	-	86,033	998,205	764,983
Other	176,839	34,330	18,486	88,566	6,804	54,222	-	379,247	107,572	77,966	1,591	-	187,129	566,376	527,875
Contributed goods and services	-	-	-	-	-	-	531,565	531,565	-	-	-	166,322	166,322	697,887	372,046
Total	\$10,334,072	\$10,032,702	\$ 6,047,130	\$ 4,064,093	\$ 1,465,099	\$ 895,189	\$ 531,565	\$ 33,369,850	\$ 2,111,191	\$ 1,302,989	\$ 264,782	\$ 166,322	\$ 3,845,284	\$ 37,215,134	\$ 33,968,086

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, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets before non-controlling activity	\$ 497,847	\$ 15,239,553
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized gain on investments	(111,375)	(114,878)
Unrealized gain on investments	(1,839,888)	(1,433,139)
Depreciation expense	5,311,619	4,811,753
Loss on disposal of property and equipment	(47,596)	(12,457)
(Increase) decrease in assets:		
Accounts receivable	(506,887)	(610,093)
Prepaid expenses and other assets	(166,668)	(49,909)
Pledges receivable	2,608,761	(119,458)
Increase (decrease) in liabilities:		
Accounts payable	20,819	(85,008)
Accrued expenses	(464,084)	73,099
Deferred revenue	379,453	170,714
Net cash provided by operating activities	5,682,001	17,870,177
Cash flows from investing activities		
Purchase of investments	(312,970)	(1,479,456)
Proceeds from sale of investments	191,257	4,357,982
Purchase of property and equipment	(14,640,574)	(9,065,161)
Net cash used in investing activities	(14,762,287)	(6,186,635)
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	(9,890,073)	11,683,542
Cash and cash equivalents, beginning of year	23,358,962	11,675,420
Cash and cash equivalents, end of year	\$ 13,468,889	\$ 23,358,962
Supplemental disclosure of cash flow information		
Barter exchange of admission tickets for advertising services	\$ 6,501	\$ 19,363
Property and equipment in accounts payable and accrued expenses	\$ 1,505,512	\$ 1,909,794

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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, the Zoological Foundation of Georgia, Inc. (Zoo Georgia), Savanna Hall, ZA LL, LLC (SH Landlord), Savanna Hall, ZA Mgr, LLC (SH Manager), and Savanna Hall, ZA MT, LLC (SH Master Tenant). 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 limited liability companies of SH Landlord, SH Manager, and SH Master Tenant received a certificate of termination effective December 18, 2024, at which time all assets and liabilities of the entities were assumed by Zoo Atlanta (Note 15). 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 financial statements have been consolidated into the Zoo Atlanta's consolidated financial statements. The outside investor's 99% interest was considered to be non-controlling interest (Note 12). On December 12, 2024, the outside investor exercised their put option and exited the investment. Subsequent to that transaction SH Manager was terminated (Note 15).

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 financial statements have been consolidated in the Zoo Atlanta's consolidated financial statements. As a result of the transaction with SH Manager, these 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 2023 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, 2023, from which the summarized information was derived.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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, 2024 and 2023, the cash balances related to net assets with donor restrictions were \$2,915,647 and \$12,658,713, 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

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 2024 and 2023, 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, 2024 and 2023, Zoo Atlanta's investments 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.

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.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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, 2024 and 2023, 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 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 right-of-use (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, 2024 and 2023, 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, 2024 and 2023 was \$89,540 and \$53,254, 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, 2024 and 2023.

SH Manager elected a 168(h) election for tax purposes, and was therefore subject to income taxes. Prior to the entity's termination (Note 15), deferred income tax assets and liabilities were computed for differences between the financial statement and income tax basis of assets and liabilities of SH

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Manager that could result in taxable or deductible amounts in the future. Deferred income tax asset and liability computations were based on enacted tax laws and rates applicable to periods in which differences were expected to affect taxable income. A valuation allowance was established, when necessary, to reduce deferred income tax assets to the amounts expected to be realized. 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.

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

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 955-605. 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. For the years ended December 31, 2024 and 2023, government support consisted of \$0 and \$75,135, respectively. During 2023, government support revenue was received from the Institute of Library and Museum Services for veterinary equipment. 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 955-605. 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, 2024 and 2023

Membership Fees—Membership fees are considered a contribution to the Zoo and are recorded in accordance with ASC 955-605. 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, 2023 were \$1,567,294 and \$743,741, 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, 2024 and 2023, the Zoo recognized approximately \$6,501 and \$19,363, 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 \$1,413,883 and \$1,343,995 for the years ended December 31, 2024 and 2023, 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 \$1,516,689 and \$1,380,063 for the years ended December 31, 2024 and 2023, respectively.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 29, 2025, 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.

	2024	2023
Cash	\$ 13,468,889	\$ 23,358,962
Accounts receivable	2,684,274	2,177,387
Pledges receivable, net	761,654	3,370,415
Investments	13,674,963	11,601,987
Total financial assets	30,589,780	40,508,751
Less contractual or donor-imposed restrictions:		
Subject to appropriation and satisfaction of donor restrictions	(3,517,300)	(15,989,920)
Endowment	(9,900,484)	(8,513,327)
Financial assets available to meet cash needs for general expenditures within one year	\$ 17,171,996	\$ 16,005,504

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 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, 2024 and 2023

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:

	2024	2023
Over time	\$ 596,167	\$ 231,000
Point in time	24,972,571	23,477,885
	\$ 25,568,738	\$ 23,708,885

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, 2024 and 2023, were as follows:

	2024	2023
Without donor restrictions	\$ 160,000	\$ 117,700
With donor restrictions	614,411	3,278,004
Total pledges receivable	\$ 774,411	\$ 3,395,704
Due in less than one year	\$ 607,743	\$ 3,048,737
Due in one to five years	166,668	346,967
	774,411	3,395,704
Less discount to net present value	(12,757)	(25,289)
Pledges receivable, net of discounts	\$ 761,654	\$ 3,370,415

Pledges to be received after one year are to be discounted to present value using the Zoo's effective borrowing rate. As of December 31, 2024, the Zoo's borrowing rate was the one-month Chicago Mercantile Exchange (CME) Term Secured Overnight Financing Rate (SOFR) plus 2.40% (6.76%). As of December 31, 2023, the Zoo's borrowing rate was LIBOR plus 2.75% (8.23%). Amortization of the discount is recorded as additional revenue and recorded in accordance with donor-imposed restrictions, if any.

There was no activity in the allowance for doubtful accounts for pledges receivable for the years ended December 31, 2024 and 2023, as all pledges receivable are expected to be collectible.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

5. Investments

Investments consisted of the following at December 31, 2024 and 2023:

	2024	2023
Cash surrender value of life insurance, at surrender value	\$ 201,840	\$ 196,352
Money market fund	41,343	39,491
Equities, at fair value:		
International markets funds	33,937	32,491
Small-cap blend funds	934,742	824,209
Mid-cap blend funds	1,864,544	1,629,821
Large blend funds	9,792,406	8,107,037
Bonds, at fair value:		
Short-term bond funds	806,151	772,586
	\$ 13,674,963	\$ 11,601,987

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

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. Investment income for the year ended December 31, 2023 included a realized gain on investments of \$114,878 and an unrealized gain on investments of \$1,433,139. For the years ended December 31, 2024 and 2023, investment income also included \$1,043,623 and \$1,091,193, 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, 2024 and 2023

6. Property and Equipment

Property and equipment consisted of the following at December 31, 2024 and 2023:

	Estimated Useful Life (Years)	2024	2023
Buildings, improvements, and exhibits	10-30	\$ 153,223,126	\$ 134,515,305
Machinery and equipment	3-7	14,265,027	12,491,892
Furniture and fixtures	7	4,168,214	3,946,237
Computer equipment	3-7	2,328,979	2,078,692
Vehicles	7	998,039	866,194
		174,983,385	153,898,320
Less accumulated depreciation		(91,699,237)	(87,417,442)
Construction-in-progress		2,935,289	10,766,290
		\$ 86,219,437	\$ 77,247,168

Depreciation expense for the years ended December 31, 2024 and 2023, totaled \$5,311,619 and \$4,811,753, 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.

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

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 a Sinking Fund and Renewal and Extension Fund. The amount of the payment to each 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. One half of the percentage of incremental revenues calculated for each attendance tier must be deposited into the Sinking Fund and the remainder must be deposited into the Renewal and Extension Fund. Attendance levels for the years ended 2024 and 2023, were 973,921 and 932,732, respectively. As of December 31, 2024 and 2023, Zoo Atlanta owed \$124,000 and \$62,000, respectively.

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%, (6.76% as of December 31, 2024). For the year ended December 31, 2024, there have been no amounts drawn or outstanding on this line. The revolving line of credit matures on August 11, 2025.

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. Monthly payments under these service contracts total approximately \$91,200.

The Zoo entered into an agreement for approximately \$17,112,000, which included change orders, with one construction contractor for the construction and completion of the Animal Health Center. Costs incurred include construction, architect and engineering design fees, and equipment. Construction was substantially completed in October 2024, at which time the Animal Health

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Center was placed into service. As of December 31, 2024, the Zoo has paid approximately \$16,228,000 in costs related to this project. The remaining costs due under this agreement include the retainage payable amount of approximately \$884,000, that is recorded in accrued expenses on the accompanying 2024 consolidated statement of financial position, and was paid in 2025.

During 2024, the Zoo entered into an agreement for approximately \$2,943,000, which includes change orders, with another construction contractor for the construction and completion of the lion habitat renovation. Costs incurred to date include construction, architect and engineering design fees, and equipment and are included in construction in progress in the accompanying consolidated financial statements. As of December 31, 2024, the Zoo has paid approximately \$958,000 in costs related to this project. The remaining costs estimated to complete the project total \$1,985,000. At December 31, 2024, approximately \$606,000 is included in accounts payable and accrued expenses for amount owed under the contract and retainage payable in the accompanying 2024 consolidated statement of financial position. The lion habitat renovation was completed and placed into service in April 2025.

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, 2024 or 2023 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 when it ends; therefore, no accrual is recorded at December 31, 2024 and 2023 for a buyout of the property and equipment.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Zoo Atlanta has identified asset retirement obligations associated with regulatory requirements that are anticipated at retirement of such assets. These costs are based on best estimates available and are reflected on the consolidated statements of financial position in accrued expenses totaling \$0 and \$337,850, at December 31, 2024 and 2023, respectively. During 2024, Zoo Atlanta paid \$329,625 in costs related to the retirement of these assets.

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, 2024 and 2023, was as follows:

	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

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

	Balance at December 31, 2022	Investment Return, net	Contributions	Released From Restrictions	Balance at December 31, 2023
Endowments					
Subject to endowment spending policy and appropriation:					
Conservation	\$ 3,051,704	\$ 548,040	\$ -	\$ (138,131)	\$ 3,461,613
Research	2,781,160	526,467	100,000	-	3,407,627
Animal management	988,819	177,637	-	(42,393)	1,124,063
Facility maintenance	90,584	16,285	-	(3,781)	103,088
Education	376,957	39,980	-	-	416,937
Total endowments	7,289,224	1,308,409	100,000	(184,305)	8,513,328
Other with donor restricted net assets:					
Purpose Restricted					
Operating programs	1,294,342	40,069	240,747	(223,571)	1,351,587
Animal habitat project	8,591,794	431,407	14,329,738	(601,011)	22,751,928
Total	\$ 17,175,360	\$ 1,779,885	\$ 14,670,485	\$ (1,008,887)	\$ 32,616,843

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, 2024, 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, 2024 and 2023

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

11. Income Taxes

SH Manager's, a wholly-owned subsidiary taxed as a c-corporation, net deferred income tax as of December 31, 2024 and 2023, is summarized as follows:

	2024	2023
Deferred tax assets:		
Net operating loss carryforwards	\$ -	\$ 677,913
Federal tax credit from pass-through	-	62,748
Other assets	-	39,674
Total deferred tax assets	-	780,335
Deferred tax liabilities:		
Property and equipment - depreciation	-	(472,669)
Total deferred tax liabilities	-	(472,669)
Net deferred tax assets before valuation allowance	-	307,666
Valuation allowance	-	(307,666)
Net deferred tax liabilities	\$ -	\$ -

At December 31, 2023, SH Manager had approximately \$1,852,000 of federal net operating loss (NOL) carryforwards and approximately \$1,329,000 of state NOL carryforwards with no expiration date. In 2023, SH Manager did not utilize any federal or state NOLs. During the year ended December 31, 2023, management estimated a valuation allowance of \$307,666, related primarily to the NOL carryforwards was appropriate to reduce the net deferred tax assets to their estimated realizable value. At December 31, 2023, SH Manager had unused federal tax credits of \$62,748 that could be applied against future federal taxable income. The difference between federal statutory tax rate and effective tax rate relates primarily to the federal tax credits and the valuation allowance.

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 was terminated in December 2024; therefore, the remaining federal and state NOLs and federal tax credits expired when the entity was dissolved. SH Manager owed approximately \$100 in state taxes for the year ended December 31, 2024.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

12. Non-Controlling Interests

Zoo Atlanta recognizes non-controlling interests for partially owned entities that are included in the consolidated financial statements. The non-controlling investor's share of current operations and net assets is summarized as follows:

	Total	Controlling Interests	Non-controlling Interests
Balance December 31, 2022	\$ 95,998,746	\$ 90,696,908	\$ 5,301,838
Change in net assets	15,239,553	15,422,817	(183,264)
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	\$ -

13. 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 \$225,561 and \$208,119 for the years ended December 31, 2024 and 2023, respectively.

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 remitted all required payments under the agreement and amounts due and expended for each of the years ended December 31, 2024 and 2023, were \$458,333 and \$500,000, respectively. 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 has no active agreements with the Chinese Party.

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 years ended December 31, 2024 and 2023, the Zoo paid \$58,768 and \$38,732, respectively, for a visiting scientist. The balance of this estimated obligation totaled \$58,768 as of December 31, 2023, and is included in accrued expenses on the 2023 consolidated statement of financial position. As of December 31, 2024, no further amounts were due under this agreement to the Chinese Party.

During 2012, Zoo Atlanta agreed to provide one-time support to the Chinese Party for conservation initiatives in China. The support was in the form of cash payments and support for University level degree programs for Chinese student colleagues. This was to be fulfilled over a period of not more than eight years. This initial agreement was scheduled to expire on December 31, 2020, but due to the COVID-19 pandemic was extended to October 29, 2024. For the year ended December 31, 2023, Zoo Atlanta paid \$23,661 for the above-referenced student. There was no remaining balance of this obligation as of December 31, 2023.

15. 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.

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

Atlanta-Fulton County Zoo, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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.