Fresno's Chaffee Zoo Corporation | Fresno, CA

Financial Statements

For the Years Ended December 31, 2025 and 2024

PRICE PAIGE & COMPANY
Certified Public Accountants

TABLE OF CONTENTS

PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fresno's Chaffee Zoo Corporation
Fresno, California

Opinion

We have audited the accompanying financial statements of Fresno's Chaffee Zoo Corporation (the Corporation), a nonprofit organization, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fresno's Chaffee Zoo Corporation as of December 31, 2025, and the changes in its net assets and its 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 the Corporation 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

www.ppc.cpa

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Inventory of Capital Assets Purchased with Measure Z Funds schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Inventory of Capital Assets Purchased with Measure Z Funds schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Corporation's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 12, 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 financial statements from which it has been derived.

Price Paige & Company

Clovis, California
June 11, 2026

FINANCIAL STATEMENTS

Statement of Financial Position
(With Summarized Financial Information as of December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,716,481	$ 379,873	$ 3,096,354	$ 552,540
Accounts receivable	817,763	100	817,863	1,036,446
Investments, short term (Note 6)	4,853,060	577,434	5,430,494	8,796,669
Pledges receivable	-	291,000	291,000	194,834
Right of use assets, current (Note 5)	53,400	-	53,400	55,934
Beneficial use of land, current (Note 4)	-	87,575	87,575	87,575
Prepaid expenses	599,149	-	599,149	487,948
Total current assets	9,039,853	1,335,982	10,375,835	11,211,946
Pledges receivable	-	480,000	480,000	245,000
Investments, long term (Note 6)	11,124,901	113,942	11,238,843	10,232,459
Equipment and facilities, net (Note 7)	114,762,325	-	114,762,325	120,010,785
Right of use assets, long term (Note 5)	41,733	-	41,733	35,526
Beneficial use of land, long term (Note 4)	-	4,862,026	4,862,026	4,949,601
Other assets, net	165,724	-	165,724	83,502
Total assets	$ 135,134,536	$ 6,791,950	$ 141,926,486	$ 146,768,819
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 1,859,852	$ -	$ 1,859,852	$ 2,253,310
Accrued expenses	1,019,970	-	1,019,970	995,387
Current maturities of operating lease liabilities (Note 5)	53,400	-	53,400	55,934
Current maturities of finance lease liabilities (Note 5)	-	-	-	3,973
Current maturities of long term debt (Note 9)	1,121,307	-	1,121,307	231,993
Deferred revenue (Note 13)	1,889,609	-	1,889,609	1,917,982
Total current liabilities	5,944,138	-	5,944,138	5,458,579
Deferred compensation liability	26,514	-	26,514	-
Long-term operating lease liabilities, net (Note 5)	41,733	-	41,733	35,526
Long-term debt, net (Note 9)	4,273,114	-	4,273,114	3,245,639
Total liabilities	10,285,499	-	10,285,499	8,739,744
Net assets:				
Without donor restrictions:				
Undesignated	113,230,137	-	113,230,137	121,260,699
Board designated (Note 11 & 12)	11,618,900	-	11,618,900	10,229,654
Total without donor restrictions	124,849,037	-	124,849,037	131,490,353
With donor restrictions (Note 11 & 12)	-	6,791,950	6,791,950	6,538,722
Total net assets	124,849,037	6,791,950	131,640,987	138,029,075
Total liabilities and net assets	$ 135,134,536	$ 6,791,950	$ 141,926,486	$ 146,768,819

Statement of Activities

(With Summarized Financial Information for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Revenue, support and other income (expense):				
Revenue:				
Admissions	$ 8,544,539	$ -	$ 8,544,539	$ 7,782,100
Membership	2,773,657	-	2,773,657	2,581,403
Merchandise, food, and beverage	1,868,190	-	1,868,190	1,798,004
Special events, net of direct expenses of $765,217 and $949,791	1,231,780	-	1,231,780	1,120,748
Education	1,316,459	-	1,316,459	1,224,378
Sponsorships	216,600	-	216,600	176,550
Total revenue	15,951,225	-	15,951,225	14,683,183
Support:				
Measure Z (for capital projects)	2,687,113	-	2,687,113	3,301,803
Measure Z (for facility operations)	7,834,823	-	7,834,823	7,084,990
Contributions:				
Cash and financial assets	827,829	1,137,632	1,965,461	895,544
Nonfinancial assets	127,866	-	127,866	2,093,289
Total support	11,477,631	1,137,632	12,615,263	13,375,626
Other income (expense):				
Investment income, net	549,518	5,223	554,741	520,074
Net investment gains	2,122,165	9,089	2,131,254	1,293,489
Loss on disposal of assets	(6,358)	-	(6,358)	(229,102)
Other income	47,103	-	47,103	54,089
Total other income	2,712,428	14,312	2,726,740	1,638,550
Total revenues, support and other before net assets released from restrictions	30,141,284	1,151,944	31,293,228	29,697,359
Net assets released from restrictions	898,716	(898,716)	-	-
Total revenue, support, and other after net assets released from restrictions	31,040,000	253,228	31,293,228	29,697,359
Expenses:				
Program services	32,954,770	-	32,954,770	32,539,082
Supporting services:				
Management and general	3,992,168	-	3,992,168	3,663,902
Fundraising	734,378	-	734,378	1,094,705
Total expenses	37,681,316	-	37,681,316	37,297,689
Changes in net assets	$ (6,641,316)	$ 253,228	$ (6,388,088)	$ (7,600,330)

Statement of Changes in Net Assets
(With Summarized Financial Information for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Net assets, beginning of year	$ 131,490,353	$ 6,538,722	$ 138,029,075	$ 145,629,405
Changes in net assets	(6,641,316)	253,228	(6,388,088)	(7,600,330)
Net assets, ending of year	$ 124,849,037	$ 6,791,950	$ 131,640,987	$ 138,029,075

Statement of Functional Expenses

(With Summarized Financial Information for the Year Ended December 31, 2024)

	Program Services					Supporting Services		Total	
	Animal Management	Exhibits & Grounds	Education & Conservation	Membership & Visitor Services	Program Subtotal	Management & General	Fundraising	2025	2024
Advertising	$ -	$ -	$ -	$ 800,110	$ 800,110	$ -	$ 2,315	$ 802,425	$ 774,598
Animal services	721,966	-	-	-	721,966	-	-	721,966	704,318
Bank and credit card fees	105,242	90,285	32,314	118,630	346,471	55,863	3,751	406,085	366,620
Community support	-	-	12,550	-	12,550	-	10,000	22,550	11,465
Conservation	-	-	145,474	-	145,474	-	-	145,474	142,933
Contracted services	80,006	459,722	38,774	170,735	749,237	188,739	19,833	957,809	795,438
Depreciation and amortization	154,845	8,436,706	9,542	9,494	8,610,587	17,411	-	8,627,998	8,307,999
Dues and subscriptions	23,925	12,905	6,509	24,820	68,159	12,686	922	81,767	79,300
Equipment expense	72,334	181,872	24,930	362,594	641,730	11,510	885	654,125	823,624
Fleet expense	75	65,796	52	-	65,923	-	-	65,923	69,269
Food and catering	2,210	1,032	90,244	26,496	119,982	2,350	6,161	128,493	151,903
Insurance	119,191	102,553	36,509	134,839	393,092	63,466	4,267	460,825	392,963
Interest expense	80,473	69,240	24,649	91,039	265,401	42,850	2,881	311,132	45,834
Information technology	4,295	13,755	6,998	30,369	55,417	406,863	11,138	473,418	401,930
Lease expense	-	87,575	-	-	87,575	-	-	87,575	87,575
Measure Z reimbursement	-	175	-	-	175	-	-	175	838,722
Mileage, tolls, and parking	84	-	14,081	172	14,337	490	171	14,998	14,965
Miscellaneous business expenses	88	76	27	100	291	2,978	-	3,269	9,134
Office supplies	4,396	244	1,606	6,289	12,535	8,362	415	21,312	25,802
Other expense	-	-	-	-	-	-	-	-	3,660
Personnel	7,341,130	2,163,525	2,919,322	3,231,550	15,655,527	2,451,905	630,826	18,738,258	19,238,399
Postage	13,687	7	320	16,832	30,846	2,236	5,868	38,950	41,944
Printing	-	-	90	59,900	59,990	1,333	4,374	65,697	52,466
Professional services	222,421	182,361	25,804	98,934	529,520	399,276	3,016	931,812	458,735
Recognition	-	-	-	-	-	1,315	-	1,315	5,221
Recruiting	-	-	-	-	-	21,041	-	21,041	23,899
Repairs and replacements	449,116	725,977	1,149	32,402	1,208,644	3,491	26	1,212,161	765,360
Signage	-	-	-	23,611	23,611	-	-	23,611	44,150
Specialized services	-	4,384	144,128	-	148,512	15,200	4,966	168,678	58,646
Staff development	15,539	4,580	4,322	3,351	27,792	20,979	897	49,668	173,368
Supplies	404,689	214,389	134,277	23,557	776,912	2,066	6,700	785,678	829,215
Taxes	-	36	-	-	36	-	-	36	1,003
Telephone	32,337	27,798	9,896	36,559	106,590	17,203	1,157	124,950	80,824
Uniforms	-	-	3,637	-	3,637	37,164	-	40,801	20,548
Utilities	385,731	331,886	118,151	436,373	1,272,141	205,391	13,809	1,491,341	1,455,859
Total expenses	$ 10,233,780	$ 13,176,879	$ 3,805,355	$ 5,738,756	$ 32,954,770	$ 3,992,168	$ 734,378	$ 37,681,316	$ 37,297,689

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (6,388,088)	$ (7,600,330)
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	8,627,998	8,307,999
Net investment gains	(2,131,254)	(1,293,489)
Credit loss expense	-	3,660
Measure Z reimbursement	-	838,722
Loss on disposal of asset	6,358	229,102
Reduction in basis of right-of-use assets	62,179	69,972
Beneficial use of land	87,575	87,575
Donated stock	(370,885)	(154,014)
Donated assets	-	(1,933,000)
Changes in assets and liabilities:		
Accounts receivable	218,583	1,721,639
Pledges receivable	(331,166)	525,916
Prepaid expenses	(111,201)	95,686
Other assets	(93,759)	(2,877)
Accounts payable	(393,458)	(2,313,862)
Accrued expenses	24,583	164,582
Operating lease liabilities	(62,179)	(69,972)
Deferred revenue	(28,373)	265,749
Deferred compensation liability	26,514	-
Net cash and cash equivalents provided by (used for) operating activities	(856,573)	(1,056,942)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and facilities	(3,438,603)	(5,622,385)
Proceeds from insurance claim	63,994	-
Proceeds from sale of assets	250	197,257
Purchase of investments	(453,240)	(2,399,701)
Proceeds from sale of investments	5,315,170	3,619,399
Net cash and cash equivalents provided by (used for) investing activities	1,487,571	(4,205,430)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on line of credit	-	2,150,000
Payments on line of credit	-	(2,150,000)
Proceeds from borrowings under long-term debt	2,323,000	2,677,000
Principal payments on long-term debt	(406,211)	(38,090)
Principal payments on finance leases	(3,973)	(29,692)
Net cash and cash equivalents provided by (used for) financing activities	1,912,816	2,609,218
Net change in cash and cash equivalents	2,543,814	(2,653,154)
Cash and cash equivalents, beginning of year	552,540	3,205,694
Cash and cash equivalents, end of year	$ 3,096,354	$ 552,540
Supplemental cash flow information:		
Interest paid	$ 311,132	$ 45,834
Non-cash transactions:		
Donated assets, materials, and services	$ 127,866	$ 2,093,289
Donated stock	$ 370,885	$ 154,014
Measure Z reimbursement	$ -	$ 838,722
Right-of-use assets	$ 65,852	$ -
Transfer of construction in progress to equipment and facilities	$ 3,861,516	$ 11,149,191

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION

Nature of Operations

Fresno's Chaffee Zoo Corporation (the Corporation) was formed as a not-for-profit public benefit corporation in 2005, under the laws of the State of California. The Fresno Chaffee Zoo (the Zoo) is an animal conservation and care facility located in Fresno, California. Pursuant to a lease agreement dated January 1, 2006, between the City of Fresno (the City) and the Corporation, the City transferred management and financial responsibility for the Zoo to the Corporation. The Corporation operates and maintains the facility and operates the programs to support wildlife conservation, education, and professional animal management in the community.

The Corporation's main revenue sources can be grouped into two categories: earned revenues (including revenue from the sale of admission tickets, entrance fees for special exhibits and animal feeding experiences, membership dues, commissions from food service and retail sales, special events income, and education program fees) and public support (including contributions made by donors, and support received from Measure Z, a transactions and use tax levied at a rate of 0.1%, collected in Fresno County).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Corporation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred regardless of the timing of cash flows.

Basis of Presentation

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

> *Without donor restrictions* – Net assets for use in general operations and not subject to use or time restrictions. A portion of these net assets may be designated by the Board of Directors for specific purposes.
>
> *With donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

The Statements of Financial Position, Activities, Changes in Net Assets, and Functional Expenses include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Corporation recognizes revenue from ticket sales at the time of admission or, in the case of a special exhibit, when the ticket is used for entry into the exhibit. Ticket sales that are purchased in advance to be redeemed at a later date are reported as deferred revenue.

Revenue from commissions on the sale of retail merchandise and food and beverage are recognized at the time of purchase by the customer. Special events revenue is recognized upon the event taking place.

Membership dues, which are nonrefundable, are comprised of several performance obligations provided to customers. The value of these performance obligations is deferred initially and recognized as the performance obligations are delivered, which is over the membership period. Membership dues received for future periods are reported as deferred revenue.

Club membership dues have an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Corporation recognizes the exchange portion of club membership dues over the membership period, and the contribution portion immediately.

Revenue from educational programs, such as ZooCamp, are deferred initially and recognized as the performance obligations are delivered, which is ratably over the period of time the program is held. Tuition and fees received for future periods are reported as deferred revenue.

Realized and unrealized gains and losses and investment income derived from investment transactions are included as income in the year earned.

Measure Z

On November 2, 2004, the voters of Fresno County approved Measure Z, a transaction and use tax (sales tax) at the rate of 0.1% administered by the Fresno County Zoo Authority (the Zoo Authority), to support the Zoo. On November 4, 2014, Measure Z was extended for an additional ten years. On June 7, 2022, Measure Z was extended for an additional fifteen years.

The Fresno County tax ordinance requires at least 98% of Measure Z tax revenue to be allocated to the Corporation for the purpose of operations, maintenance, and capital projects at the facility. The Zoo Authority, which is charged with the oversight of the administration of the Measure Z funds, is allocated up to 2% of the tax proceeds for the purpose of administration. The Corporation is subject to a budgeting process through which all proposed spending under Measure Z must be reviewed and approved by the Zoo Authority before costs are incurred. Once budgets are approved, documentation showing actual costs expended (referred to as a "claim") must be submitted for reimbursement. All claims submitted are subject to review and approval by the Zoo Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measure Z (Continued)

The Corporation recognizes support from Measure Z based on the reimbursable costs incurred during the financial reporting period. Please refer to Note 3 for additional disclosures regarding Measure Z reimbursements.

Contributions

Contributions, including unconditional promises to give, are recognized initially at net realizable value as support in the year received. Net realizable value is estimated giving consideration to anticipated future cash receipts (after an allowance is made for uncollectible contributions, if necessary). Contributions to be received after one year are recorded at the present value of their estimated future cash flows.

Conditional promises to give are not included as support until the conditions are substantially met. Amounts received in advance of satisfying the donor-imposed conditions are reported as deferred revenue.

Contributed Nonfinancial Assets

The Corporation recognizes contributed nonfinancial assets within revenue, including donated materials, assets, land, space, and professional services. A substantial number of volunteers have made significant contributions of their time to the Corporation's programs and supporting services. The value of this contributed time is not reflected in these financial statements since it does not require a specialized skill.

Donated land and assets are used in various programs within the Corporation. The Corporation estimates the value based on the fair market value of the asset at the time of donation.

Donated equipment and supplies are used in various programs within the Corporation. The Corporation estimates the value based on the fair value that would be paid for similar items in the Central Valley.

Donated food and catering services are used in various programs within the Corporation. The Corporation estimates the value based on the fair value that would be paid for similar food and services in the Central Valley.

Donated goods are used for auction for the benefit of various programs within the Corporation. The Corporation estimates the value based on the fair value that would be paid for similar goods in the Central Valley.

Contributed services comprise professional services that would otherwise be purchased. Contributed services are valued and reported at the estimated fair value based on current rates for similar services.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking, savings, and money market accounts. The Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Marketable investments in equity and debt securities are carried at fair value based upon quoted market prices. The Corporation's Finance Committee is responsible for establishing investment criteria and overseeing the Corporation's investments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

The Corporation maintains master investment accounts that include its donor-restricted and board-designated endowments. Pooling endowment funds for investment purposes has many benefits, including but not limited to, spreading the total risk of each endowment fund and making the risk equal for all funds invested in the master investment accounts, enhancing the investment performance relative to that of an individual fund, and reducing management fees. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of each endowment to the total fair value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Accounts Receivable

Accounts receivable primarily consist of trade receivables and receivables due from the Zoo Authority for reimbursable costs incurred by the Corporation under Measure Z. Management provides for probable uncollectible amounts through provisions for credit loss expense based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the accounts receivable. At December 31, 2025 and 2024, the Corporation considers all amounts to be fully collectible; therefore, no allowance for credit losses is reflected.

Accounts receivable consisted of the following at December 31:

	2025	2024
Accounts receivable, trade	$ 164,043	$ 148,700
Measure Z receivables	507,653	815,266
Other receivables	146,167	72,480
Total accounts receivable	$ 817,863	$ 1,036,446

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as pledges receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. At December 31, 2025 and 2024, the Corporation considers all amounts to be fully collectible; therefore, no allowance for credit losses is reflected.

Amounts due from pledges receivable are as follows at December 31, 2025:

Less than one year	$ 291,000
One to five years	480,000
More than five years	-
Total pledges receivable	$ 771,000

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Collections

While the animal collection represents the Corporation's most cherished asset, in accordance with industry practice, the Corporation's collection of animals is not capitalized and recognized as assets on the statement of financial position. The animal collection has numerous attributes, including species, age, sex, relationship and value to other animals, endangered status, and breeding potential, whereby it is impracticable to assign value. In an ongoing commitment to enhance the worldwide reproduction and preservation of animals, the Corporation exchanges animals with other organizations, but consistent with industry practice, typically does not record any asset or liability when an animal is exchanged with another organization. Generally, expenditures related to animal acquisitions are expensed in the period of acquisition.

Equipment and Facilities

Equipment and facilities are carried at cost less accumulated depreciation. Expenditures for major renewals or betterments in excess of $5,000 for furniture, fixtures, and equipment, and $30,000 for facilities and improvements that extend the useful lives of property, plant, and equipment are capitalized. Expenditures for maintenance and repairs, including planned major maintenance activities, are charged to expense as incurred. When assets are retired or disposed, the asset's original cost and related accumulated depreciation are eliminated from the accounts and any gain or loss is reflected in the statement of activities. Amortization expense on leasehold improvements is included in depreciation expense and is recorded over the shorter of the estimated useful life of the leasehold improvement or the lease terms that are reasonably assured.

Depreciation of equipment and facilities is provided using the straight-line method based on the following estimated useful lives:

	Years
Buildings, exhibits and improvements	5 to 20
Transportation and equipment	3 to 7
Furniture and fixtures	5

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are held and used, an impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows, or internal and external appraisal, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. No impairment losses were incurred during the years ended December 31, 2025 and 2024, respectively.

Conditional Promises to Give and Unearned Revenue

A portion of the Corporation's revenue is derived from conditional promises to give and are contingent upon the fulfilment of certain donor-imposed conditions as outlined in the underlying agreements. These conditions are generally derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Corporation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

Management monitors all conditional agreements to ensure compliance with the terms and to assess when conditions have been met.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Corporation determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Corporation does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Lease terms may include options to extend or terminate certain leases. The value of a lease is reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease.

Operating leases are included in right-of-use assets and long-term liabilities in the statements of financial position. Finance leases are included in property and equipment and long-term liabilities in the statements of financial position.

Advertising

The Corporation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed the first time the advertising takes place. Advertising expense was $802,425 and $774,598 for the years ended December 31, 2025 and 2024, respectively.

Income Taxes

The Corporation is a qualified organization exempt from federal income taxes and state franchise taxes under §501(c)(3) of the Internal Revenue Code (IRC) and §23701d of the California Revenue and Taxation Code, respectively. The Corporation is subject to federal income taxes for any activities that are unrelated to its exempt purpose. Unrelated business income tax, if any, is insignificant and no provision for income taxes has been made.

U.S. GAAP requires Corporation management to evaluate tax positions by the Corporation and recognize a tax liability (or asset) if the Corporation has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service.

The Corporation's evaluations for the years ended December 31, 2025 and 2024, revealed no tax positions that would have a material impact on the financial statements. The tax returns of the Corporation are subject to examination by federal and state taxing authorities. However, there are currently no examinations in progress or pending.

Financial Instruments

Financial instruments, which potentially subject the Corporation to concentrations of credit risk, consist principally of cash and cash equivalents and investments. The Corporation maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The amounts that exceed federally insured limits were approximately $3,014,000 and $270,000 at December 31, 2025 and 2024, respectively. The Corporation has not experienced any losses in such accounts. The Corporation attempts to limit its credit risk associated with cash equivalents and investments by utilizing outside investment managers to place the Corporation's investments with highly rated corporate and financial institutions. Management believes that the Corporation is not exposed to any significant credit risk related to concentrations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Expenses which apply to more than one functional category have been allocated among program services, management and general, and fundraising on a reasonable basis that is consistently applied. Most expenses of the Corporation are allocated based on overall usage estimates, with the exception of personnel and staff development, which are allocated on the basis of estimated time and effort, and depreciation and amortization, which is allocated using a direct identification methodology.

NOTE 3 – MEASURE Z

As disclosed in Note 2, the Corporation receives funding from Measure Z, a transaction and use tax collected in Fresno County. Pursuant to the bylaws of the Zoo Authority, a minimum of two-thirds of the tax revenue allocated to the Corporation must be used for capital projects, while the remaining amount may be used for facility operations, including maintenance.

The following table presents Measure Z reimbursable costs, by project name and purpose, incurred for capital projects for the years ended December 31:

				Total	
	Design	Construction	Animal Management	2025	2024
Animal Acquisitions	$ -	$ -	$ 34,757	$ 34,757	$ -
California: Sierras to the Sea	34,312	-	-	34,312	-
Conservation Action Center	-	44,584	-	44,584	234,681
Exhibit Renovations	-	877,382	-	877,382	-
Event Lawn	-	110,902	-	110,902	451,272
Kingdoms of Asia	-	-	-	-	32,445
Kingdoms of Asia Phase II	-	56,588	-	56,588	1,983,301
Maintenance Building	669,523	-	-	669,523	-
Maintenance Building - Solar	-	224,996	-	224,996	-
New Entrance	222,623	-	-	222,623	-
Reclaimed Water	-	411,316	-	411,316	571,641
SLC Biotank	-	-	-	-	20,853
Zooplex	-	-	-	-	7,500
	926,458	1,725,768	34,757	2,686,983	3,301,693
Bank and credit card fees	-	130	-	130	110
Total	$ 926,458	$ 1,725,898	$ 34,757	$ 2,687,113	$ 3,301,803

NOTE 3 – MEASURE Z (Continued)

The following table presents Measure Z reimbursable expenses, by expense line item, incurred for facility operations for the years ended December 31:

	2025	2024
Animal services and supplies	$ 683,543	$ 608,000
Exhibit renovations	495,290	-
Personnel:		
Animal care	4,114,000	3,867,000
Animal nutrition	428,000	314,000
Maintenance and horticulture	1,163,000	1,141,000
Veterinary	410,000	385,000
Water quality supplies	118,000	95,000
Utilities	422,880	674,880
	7,834,713	7,084,880
Bank and credit card fees	110	110
Total	$ 7,834,823	$ 7,084,990

NOTE 4 – BENEFICIAL USE OF LAND

According to the terms of the lease agreement (the Agreement) between the City and the Corporation, dated January 1, 2006 (the Commencement Date), the City transferred management and financial responsibility for the Zoo to the Corporation. Under the Agreement, the City owns the Zoo grounds and structures existing at the Commencement Date, and the Corporation is, and will be, the owner of all the improvements constructed after the Commencement Date. As of the Commencement Date, the Corporation has assumed all obligations with respect to the animals cared for, housed, or otherwise kept at the Zoo during the term of the Agreement.

The lease rate is $1 per year paid through the term of the Agreement. The lease expires January 1, 2036, with an option to extend for an additional 25-year period or two additional 10-year periods. The Corporation has elected to exercise the 25-year extension option, extending the lease expiration date to 2060. Improvements and animals shall become the property of the City when the lease is terminated or expires. The annual rental value was estimated to be approximately $87,575 per year through 2035 and $162,954 per year through 2060. For each of the years ended December 31, 2025 and 2024, lease expense of $87,575 was recorded in connection with this lease agreement.

The values to be recognized on the use of land for the years ending December 31 are as follows:

2026	$ 87,575
2027	87,575
2028	87,575
2029	87,575
2030	87,575
2031 and thereafter	4,511,726
Total	$ 4,949,601

NOTE 5 – LEASES

Right-of-use assets represent the Corporation's right to use underlying assets for the lease term, and the lease liabilities represent the Corporation's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms.

The Corporation leases office space and equipment for administrative purposes under operating leases expiring on various dates through 2027. The Corporation leased machinery and equipment for program purposes under financing leases expiring in 2025.

The following is a schedule of minimum lease commitments for the years ending December 31:

	Operating
2026	$ 53,400
2027	41,733
Total	$ 95,133

Total expense associated with these leases for the years ended December 31, 2025 and 2024, was $62,179 and $69,971, respectively, and has been included with equipment expense in the statement of functional expenses.

NOTE 6 – INVESTMENTS

Investments, at fair value, for the years ended December 31, 2025 and 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Investment type:				
Mutual funds	$ 15,977,961	$ 691,376	$ 16,669,337	$ 19,029,128

The components of investment return for the years ended December 31, 2025 and 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Investment income	$ 588,502	$ 5,689	$ 594,191	$ 540,727
External and direct internal fees	(38,984)	(466)	(39,450)	(20,653)
Investment income, net	549,518	5,223	554,741	520,074
Net investment gains	2,122,165	9,089	2,131,254	1,293,489
Total	$ 2,671,683	$ 14,312	$ 2,685,995	$ 1,813,563

NOTE 6 – INVESTMENTS (Continued)

The Corporation's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities that the entity has the ability to access at the measurement date.

Level 2 – Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability that are not corroborated by market data.

An asset or a liability's classification is based on the lowest level input that is significant to its measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used the years ended December 31, 2025 and 2024, respectively.

Registered investment companies (mutual funds) – Valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV), and mutual funds are required to transact at that price. The funds held by the Corporation are deemed to be actively traded. Mutual funds held by the Corporation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission.

The following table provides information about the Corporation's financial assets measured at fair value on a recurring basis as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investment type:				
Mutual funds	$ 16,669,337	$ -	$ -	$ 16,669,337

The following table provides information about the Corporation's financial assets measured at fair value on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investment type:				
Mutual funds	$ 19,029,128	$ -	$ -	$ 19,029,128

There were no transfers between levels of the fair value hierarchy during the years ended December 31, 2025 and 2024.

NOTE 7 – EQUIPMENT AND FACILITIES

Equipment and facilities consisted of the following at December 31:

	2025	2024
Buildings, exhibits and improvements	$ 166,082,195	$ 161,830,689
Finance right to use assets	-	146,134
Furniture and fixtures	148,488	148,488
Transportation and equipment	4,217,720	3,732,453
Subtotal	170,448,403	165,857,764
Less accumulated depreciation and amortization	(58,340,881)	(49,724,423)
	112,107,522	116,133,341
Land	652,087	652,087
Construction in progress	2,002,716	3,225,357
Total equipment and facilities, net	$ 114,762,325	$ 120,010,785

Total depreciation and amortization expense for equipment and facilities for the years ended December 31, 2025 and 2024, was $8,616,461 and $8,296,462, respectively.

NOTE 8 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Corporation's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when not convertible to cash within one year, or when subject to other considerations such as donor restrictions or board designations.

	2025	2024
Cash and cash equivalents	$ 3,096,354	$ 552,540
Accounts receivable	817,863	1,036,446
Investments	5,430,494	8,796,669
Current portion of pledges receivable	291,000	194,834
Total financial assets	9,635,711	10,580,489
Less amounts not available to be used within one year:		
Contractual or donor-imposed restrictions:		
Donor restricted - specific purpose	1,092,307	965,402
Capital project funds retained in money market account	35,980	32,841
Construction contracts payable	359,215	405,867
Board designations:		
Board designated - specific purpose	609,000	223,505
Total amounts not available to be used within one year	2,096,502	1,627,615
Financial assets available to meet cash needs for general expenditures within one year	$ 7,539,209	$ 8,952,874

The Corporation's spending policy is to structure its financial assets to be available for operations, capital projects, and opportunities to enhance the Corporation's mission.

NOTE 9 – DEBT OBLIGATIONS

Line of Credit

In 2014, the Corporation added a margin feature to its investment agreement with Charles Schwab. The feature allowed the Corporation to borrow against the value of certain marginable investments held with Charles Schwab. Interest was calculated on the borrowings at the daily margin interest rate. The line of credit was paid in full and closed in October 2024.

Zoo Authority Note Payable

During the years 2016 through 2020, the Corporation received reimbursement through Measure Z funds from the Zoo Authority (the Authority) for the construction of the African River project in the total amount of $838,722. The reimbursements received were recognized as revenue in the period the reimbursements were earned. The Corporation subsequently elected to postpone further construction related to this project and redirect funding to higher priority projects. In September 2024, the Corporation and the Authority reached an agreement in which the Corporation is to repay the funds previously reimbursed through Measure Z for the related project. As a result of this agreement, the Corporation has recognized a note payable liability of $838,722 and recognized a Measure Z Reimbursement expense in the same amount for the year ended December 31, 2024.

The agreement requires quarterly principal and interest payments beginning January 2025 until paid in full in October 2029. The interest rate on the note is 4.00%. The Corporation made the first payment in December 2024. The principal balance of the note was $644,421 at December 31, 2025.

Future minimum payments on the note for the years ending December 31 are as follows:

2026	$ 121,307
2027	167,479
2028	174,279
2029	181,356
Total	$ 644,421

NOTE 9 – DEBT OBLIGATIONS (Continued)

Bank of America Term Loan

On September 30, 2024, the Corporation entered into an agreement with Bank of America for a non-revolving line of credit with a maximum amount of $5,000,000. The line of credit was available to draw until September 30, 2025. Interest only payments on the amount drawn began in October 2024. Beginning October 31, 2025, the line of credit converted to a term loan with principal and interest payments due monthly until the loan matures in September 2030. The loan is collateralized by the receivables, inventory, and assets of the Corporation. The interest rate is equal to the sum of either the greater of the Term SOFR Daily Floating Rate or the Index Floor, plus 1.62 percentage point. The interest rate was 6.09% as of December 31, 2025. Under the terms of the agreement, the Corporation is required to maintain a Debt Service Coverage Ratio of at least 1.200:1 and to maintain at least 50% Unencumbered Liquid Assets to Total Funded Debt. As of December 31, 2025, the Corporation was in compliance with the required covenants.

As of December 31, 2025, the principal balance of the note was $4,750,000.

Future minimum payments on the loan for the years ending December 31 are as follows:

2026	$	1,000,000
2027		1,000,000
2028		1,000,000
2029		1,000,000
2030 and thereafter		750,000
Total	$	4,750,000

NOTE 10 – CONDITIONAL PROMISES TO GIVE AND DEFERRED REVENUE

During the year ended December 31, 2025, the Corporation recognized $197,644 of contribution revenue related to conditional promises for which the conditions were satisfied.

Remaining conditional promises to give represent agreements that are contingent on fulfillment of specified conditions and therefore have not yet been rewarded. Remaining conditional promises to give under agreements effective during the years ended December 31, 2025 and 2024, were $333,682 and $531,326, respectively.

NOTE 11 – NET ASSETS

Net assets consisted of the following at December 31:

	2025	2024
Without donor restrictions:		
Undesignated	$ 113,230,137	$ 121,260,699
Board designated - specific purposes	15,000	93,505
Board designated - endowment	11,603,900	10,136,149
Total without donor restrictions	124,849,037	131,490,353
With donor restrictions:		
Donor restricted - specific purposes	5,904,307	5,997,578
Donor restricted - endowment	116,543	101,310
Donor restricted - time	771,100	439,834
Total with donor restrictions	6,791,950	6,538,722
Total net assets	$ 131,640,987	$ 138,029,075

A portion of net assets are designated by the Board of Directors for specific purposes related to the mission and purpose of the Corporation. The following table presents activity in board-designated net assets for specific purposes for the year ended December 31, 2025:

	December 31, 2024	Increases	Decreases	December 31, 2025
Endowment	$ 93,505	$ 258,417	$ (336,922)	$ 15,000

A portion of net assets are restricted by donors for specific purposes related to the mission and purpose of the Corporation or restricted for use in future periods. The following table presents activity in donor-restricted net assets for specific purposes or time restrictions for the year ended December 31, 2025:

	December 31, 2024	Increases	Decreases	Transfers	December 31, 2025
Purpose restricted:					
Beneficial use of land	$ 5,037,176	$ -	$ (87,575)	$ -	$ 4,949,601
Endowment	101,310	17,733	(2,500)	-	116,543
Conservation and enrichment	603,624	29,402	(344,945)	-	288,081
Education	16,651	39,100	(4,442)	-	51,309
Infrastructure - exhibits	204,505	10,275	(10,250)	-	204,530
Infrastructure - public	135,622	-	(21,026)	-	114,596
Sponsorship	-	219,334	(173,144)	250,000	296,190
Total purpose restricted	6,098,888	315,844	(643,882)	250,000	6,020,850
Time restricted	439,834	836,100	(254,834)	(250,000)	771,100
Total donor restricted	$ 6,538,722	$ 1,151,944	$ (898,716)	$ -	$ 6,791,950

NOTE 12 – ENDOWMENT

The Corporation's endowment assets include both donor-restricted endowment funds as well as funds without donor restrictions designated for long-term investment by the Board of Directors, which are funds functioning as endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Corporation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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 Corporation classifies net assets with donor restrictions as: (i) the original value of gifts donated to the permanent endowment, (ii) the original value of subsequent gifts to the permanent endowment, and (iii) 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.

In accordance with SPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (i) the duration and preservations of the various funds, (ii) the purposes of the donor-restricted endowment funds, (iii) general economic conditions, (iv) the possible effect of inflation and deflation, (v) the expected total return from income and the appreciation of investments, (vi) other resources of the Corporation, and (vii) the Corporation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies

The Corporation has an Investment Policy Statement (IPS), which is approved by the Corporation's Finance Committee and the Board of Directors. The IPS specifies investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, which is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Corporation expects its endowment assets, over time, to produce an average nominal rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Corporation has a policy of appropriating for distribution an amount of up to 5% of its endowment fund's average fair value for the prior 12 quarters through September 30 preceding the fiscal year in which the distribution is planned. In establishing this policy, the Corporation considered the long-term expected return on its investment assets to approximately 8%, offset by estimated inflation of 3%, which is consistent with the Corporation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

From time to time, certain donor-restricted endowment funds may have faith values less than the amount required to be maintained by donors by law (underwater endowments). The Board of Directors of the Corporation has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

NOTE 12 – ENDOWMENT (Continued)

Spending Policy (Continued)

Endowment net asset composition by type of fund as of December 31, 2025, was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 116,543	$ 116,543
Board-designated endowment funds	11,603,900	-	11,603,900
Total	$ 11,603,900	$ 116,543	$ 11,720,443

Endowment net asset composition by type of fund as of December 31, 2024, was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 101,310	$ 101,310
Board-designated endowment funds	10,136,149	-	10,136,149
Total	$ 10,136,149	$ 101,310	$ 10,237,459

Changes in endowment net assets for the years ended December 31, 2025 and 2024, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of December 31, 2023	$ 9,521,775	$ 87,122	$ 9,608,897
Investment return:			
Investment income, net	227,803	2,162	229,965
Net investment gains, realized and unrealized	743,502	7,026	750,528
Total investment return	971,305	9,188	980,493
Contributions	64,069	5,000	69,069
Appropriation for expenditure	(421,000)	-	(421,000)
Endowment net assets as of December 31, 2024	10,136,149	101,310	10,237,459
Investment return:			
Investment income, net	289,577	5,269	294,846
Net investment gains, realized and unrealized	1,244,251	9,089	1,253,340
Total investment return	1,533,828	14,358	1,548,186
Contributions	386,923	3,375	390,298
Appropriation for expenditure	(453,000)	(2,500)	(455,500)
Endowment net assets as of December 31, 2025	$ 11,603,900	$ 116,543	$ 11,720,443

NOTE 13 – CONTRACTS WITH CUSTOMERS

For the years ended December 31, 2025 and 2024, revenue recognized from performance obligations satisfied at a point in time consisting of admissions, merchandise, concessions, and education was $13,942,785 and $13,051,571, respectively. For the years ended December 31, 2025 and 2024, revenue recognized from performance obligations satisfied over a period of time consisting of memberships was $2,773,657 and $2,581,403, respectively. The total amount of revenue recognized for contracts with customers for the years ended December 31, 2025 and 2024, was $16,716,442 and $15,594,654, respectively.

Contract assets include accounts receivable arising from contracts from customers in the amounts of $164,043, $148,700, and $261,857 at December 31, 2025, 2024, and 2023, respectively.

The following table provides information about significant changes in deferred revenue for the years ended December 31:

	2025	2024
Deferred revenue, beginning of year	$ 1,917,982	$ 1,652,233
Revenue recognized that was included in deferred revenue at the beginning of year	(1,917,982)	(1,652,233)
Increase in deferred revenue due to cash received during the period	1,889,609	1,917,982
Deferred revenue, end of year	$ 1,889,609	$ 1,917,982

NOTE 14 – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities included the following at December 31:

	2025	2024
Capital assets	$ -	$ 1,933,000
Equipment and supplies	4,100	13,661
Food and catering	38,459	26,929
Goods	80,912	107,699
Professional services	4,395	12,000
Total contributed nonfinancial assets	$ 127,866	$ 2,093,289

NOTE 15 – EMPLOYEE BENEFIT PLAN

The Corporation maintains a 401(k) defined contribution plan (the Plan) for its employees. The Plan is available to all employees after 90 days of service, provided they are at least 18 years of age. Employees are automatically enrolled in the Plan at a 1% pre-tax contribution rate unless they opt out. The Plan provides an employer match of 100% for the first 3% of the employee contribution and a 50% match for the next 2% of the employee contribution, up to a maximum employer match of 4% of pay. Total contributions made to the Plan for the years ended December 31, 2025 and 2024, were $366,738 and $328,056, respectively.

NOTE 16 – 457(b) PLAN

Effective July 2025, the Corporation established a deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code (the 457(b) Plan) for the benefit of eligible employees. The 457(b) Plan permits eligible participants to defer a portion of their compensation, subject to annual limits established by the Internal Revenue Service. The Corporation may also make discretionary employer contributions to the 457(b) Plan, as approved by the Board of Directors. All amounts deferred under the 457(b) Plan, including any related investment earnings, are held by the Corporation and are subject to the claims of its general creditors. Accordingly, the Corporation recognized the investments and a corresponding deferred compensation liability in the accompanying statement of financial position. Investments are reported at fair value, with changes in fair value included in the statement of activities.

As of December 31, 2025, the fair value of investments held in the 457(b) Plan totaled $26,533, which is included in investments on the statement of financial position. The corresponding liability to participants as of December 31, 2025, totaled $26,514.

The Corporation did not make employer contributions for the year ended December 31, 2025.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Claims and Legal Actions

The Corporation is subject to claims and legal actions arising in the ordinary course of business. In the opinion of management, based in part upon the advice of legal counsel, these matters are of such a nature that unfavorable disposition would not have a material adverse effect on the financial position, results of operations, or cash flows of the Corporation.

Loss Contingency

The Corporation is involved in various legal matters related to various events that occurred prior to December 31, 2024. Some of those legal matters are in the initial stages and the ultimate outcome is not yet reasonably determined. In 2025, the Corporation reached a settlement agreement in one legal matter in the amount of $285,000. The liability is included in accounts payable as of December 31, 2025.

Construction Commitments

As of December 31, 2025, the Corporation had an outstanding commitment for future capital expenditures of approximately $1,452,329.

Food Service and Retail Commitments

Effective July 25, 2011, the Corporation entered into an agreement with Service Systems Associates (SSA) to conduct food service and retail merchandising operations, which has been amended subsequent to its effective date. Under the agreement, the Corporation receives monthly license fees from SSA based on gross receipts of food and merchandise sold that vary between 15% and 33% depending on the type and level of receipts. SSA also contributes to capital improvements in the food service and retail facilities. As of December 31, 2025, the agreement's term was through October 31, 2030, and the amount committed for capital improvements was approximately $500,000.

NOTE 18 – CAPTIVE INSURANCE PROGRAM

Workers' Compensation

The Corporation is a member of Union Re Holdings, LLC, a Tennessee domiciled holding company. Union Re Holdings, LLC, was formed to participate as a re-insurer in a commercial insurance program to provide workers' compensation insurance. The Corporation incurs annual policy premium expenses, which are included in the accompanying statement of functional expense. Each year, Union Re Holdings, LLC, calculates the actuarial risk-based performance of each member and values the members' accounts. As a member of Union Re Holdings, LLC, the Corporation is subject to sharing the risk of liabilities arising from other members exceeding their insurance reserves. Any profits from the valuation are returned to the Corporation and are included in the accompanying statement of activities. For the years ended December 31, 2025 and 2024, there were no profits allocated.

The Corporation has a security collateral obligation, which is comprised of a standby letter of credit issued by the Corporation's bank and cash as follows at December 31:

	2025	2024
Cash	$ 60,109	$ 37,356
Standby letter of credit	209,631	209,631
Total	$ 269,740	$ 246,987

The cash portion of the security collateral obligation is included in other assets, net, on the statement of financial position.

Health Insurance

Effective January 1, 2026, the Corporation entered into a group captive insurance program (the Captive) to provide health insurance coverage for its employees. The Captive is owned by its participating members. As of December 31, 2025, the Corporation contributed $71,006 in initial capital to the Captive. This amount is reported as other assets, net, on the accompanying statement of financial position. Under the terms of the Captive arrangement, the Corporation may be required to make additional capital contributions or assessments based on the Captive's underwriting results, loss experience, and regulatory requirements. Any such additional contributions would be recorded as an increase in the Corporation's investment in the Captive.

The Corporation will be required to pay annual insurance premiums to the Captive beginning January 1, 2026. No premiums or claims activity related to the Captive were recognized for the year ended December 31, 2025.

NOTE 19 – RELATED PARTY TRANSACTIONS

The Corporation routinely receives unconditional promises to give from members of its Board of Directors. During the years ended December 31, 2025 and 2024, the Corporation received related party promises to give of $100,000 and $0, respectively. As of December 31, 2025 and 2024, outstanding related party pledges receivable totaled $325,000 and $300,000, respectively. These amounts are included with pledges receivable in the statements of financial position.

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated and concluded that there are no subsequent events that have occurred from December 31, 2025, through the date the financial statements were available to be issued at June 11, 2026, that would require additional disclosure or adjustment.

SUPPLEMENTARY INFORMATION

Inventory of Capital Assets Purchased with Measure Z Funds

	December 31, 2024	Increases	Decreases	Transfers	December 31, 2025
African Adventure	$ 57,242,620	$ -	$ -	$ 598,833	$ 57,841,453
Ambassador Building	3,374,437	-	-	-	3,374,437
Birds of Prey	44,944	-	-	-	44,944
Conservation Action Center	1,313,416	-	-	44,584	1,358,000
Dino Dig	70,000	-	-	-	70,000
Event Lawn	-	-	-	562,173	562,173
Exhibit & Facility Renovations	-	-	-	94,599	94,599
Hospital-Radiology Unit	49,363	-	-	-	49,363
Infrastructure (SCIP)	2,951,972	-	-	-	2,951,972
Kingdoms of Asia	50,347,111	-	-	89,388	50,436,499
Reptile House	1,022,168	-	-	-	1,022,168
Safari Café	54,235	-	-	-	54,235
Sea Lion Cove	11,934,068	-	-	-	11,934,068
Stingray Bay	69,474	-	-	-	69,474
Tropical Treasures	35,062	-	-	-	35,062
Utilities	3,537,502	-	-	982,957	4,520,459
Warthog	2,846,645	-	-	-	2,846,645
Wilderness Falls	3,316,460	-	-	84,000	3,400,460
Zooplex	12,694,663	-	-	-	12,694,663
Subtotal	150,904,140	-	-	2,456,534	153,360,674
Construction in progress	1,022,915	2,652,226	(67,153)	(2,456,534)	1,151,454
Total	$ 151,927,055	$ 2,652,226	$ (67,153)	$ -	$ 154,512,128