

**FRIENDS OF THE GREENVILLE ZOO, INC.
GREENVILLE, SOUTH CAROLINA**

REVIEWED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

FRIENDS OF THE GREENVILLE ZOO, INC.

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Independent Accountant's Review Report

The Board of Directors
Friends of the Greenville Zoo
Greenville, South Carolina

We have reviewed the accompanying financial statements of Friends of the Greenville Zoo (a not-for-profit organization) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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. This includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

McKinley, Cooper & Co., LLC

Greenville, South Carolina
October 4, 2022

Members
American Institute of Certified Public Accountants
S.C. Association of Certified Public Accountants



**FRIENDS OF THE GREENVILLE ZOO, INC.
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022**

| | 2022 |
|--|-------------------------------|
| | <hr/> |
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 422,942 |
| Accounts receivable | <hr/> 11,314 |
| Total assets | <hr/> \$ 434,256 <hr/> |
| | |
| <u>LIABILITIES AND NET ASSETS</u> | |
| LIABILITIES | |
| Accounts payable | \$ 75 |
| Total liabilities | <hr/> 75 |
| NET ASSETS | |
| Without donor restrictions | 259,270 |
| With donor restrictions | <hr/> 174,911 |
| Total net assets | <hr/> 434,181 <hr/> |
| Total liabilities and net assets | <hr/> \$ 434,256 <hr/> |

See accountant's review report and notes to the financial statements.

**FRIENDS OF THE GREENVILLE ZOO, INC.
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---------------------------------------|------------------------------------|-------------------|
| REVENUES, GAINS AND OTHER SUPPORT | | | |
| Contributions | | | |
| Individual | \$ 1,934 | \$ 174,911 | \$ 176,845 |
| Corporate | 5,890 | - | 5,890 |
| Membership sales | 106,681 | - | 106,681 |
| Foundation gifts/grants | 24,995 | - | 24,995 |
| Fundraising | 117,681 | - | 117,681 |
| PPP forgiveness | 21,637 | - | 21,637 |
| Interest income | 193 | - | 193 |
| Other income | 10,249 | - | 10,249 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues, gains and other support | 289,260 | 174,911 | 464,171 |
| | <hr/> | <hr/> | <hr/> |
| EXPENSES | | | |
| Program services | 165,377 | - | 165,377 |
| Supporting services | 59,143 | - | 59,143 |
| Fundraising | 63,381 | - | 63,381 |
| | <hr/> | <hr/> | <hr/> |
| Total expenses | 287,901 | - | 287,901 |
| | <hr/> | <hr/> | <hr/> |
| INCREASE IN NET ASSETS | 1,359 | 174,911 | 176,270 |
| NET ASSETS, beginning of year | 257,911 | - | 257,911 |
| | <hr/> | <hr/> | <hr/> |
| NET ASSETS, end of year | <u>\$ 259,270</u> | <u>\$ 174,911</u> | <u>\$ 434,181</u> |

See accountant's review report and notes to the financial statements.

**FRIENDS OF THE GREENVILLE ZOO, INC.
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

| | <u>2022</u> |
|---|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Increase in net assets | \$ 176,270 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | |
| Increase (decrease) in liabilities | |
| Accounts payable | (11,772) |
| PPP loan payable | <u>(21,637)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>142,861</u> |
| NET INCREASE IN CASH | 142,861 |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>280,081</u> |
| CASH AND CASH EQUIVALENTS, end of year | <u><u>\$ 422,942</u></u> |

See accountant's review report and notes to the financial statements.

FRIENDS OF THE GREENVILLE ZOO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Friends of the Greenville Zoo, Inc. ("FOGZ") is a not-for-profit organization founded in 1976 that serves as an independent community outreach group whose purpose is to provide financial, resource and advocacy support for the needs of the Greenville Zoo, located in Greenville, South Carolina.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), whereby revenues are recognized when earned and expenses are recorded when the obligation is incurred.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements and Accounting Standards Update ("ASU") 2016-14: Not-for-Profit Entities (Topic 958).

In accordance with ASU 2016-14, the FOGZ reports information regarding its financial position and activities depending on the existence of any donor restrictions. The classifications are as follows:

- Net assets without donor restrictions, and
- Net assets with donor restrictions.

ASU 2016-14 also requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the statement of financial position date.

Contributions and Donor-Imposed Restrictions

Consistent with the provisions of FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*, the Society recognizes contributions received, including unconditional promises to give, as revenues in the period(s) received at their fair values. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received and unconditional promises to give with payments in future periods which have donor-imposed restrictions are reported as restricted support. Restricted support increases restricted net assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Contributions without donor-imposed restrictions are reported as unrestricted support that increases unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in interest-bearing accounts (checking and savings), short-term investments in money market accounts, and certificates of deposit with original maturities of three months or less.

Income Tax Exemption

FOGZ is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and, therefore has made no provision for income taxes in the accompanying financial statements. US GAAP requires management to evaluate income tax positions taken by FOGZ and recognize an income tax liability (or asset) if FOGZ has taken an uncertain tax position that more likely than not would not be substantiated upon examination by the Internal Revenue Service. FOGZ has identified its income tax status as a tax-exempt entity as its only significant income tax position; however, FOGZ has determined that such income tax position does not result in an uncertainty requiring recognition in the financial statements. FOGZ is not currently under examination by any taxing jurisdiction. It files Form 990 annually with the IRS. FOGZ's federal returns are generally open for examination for the three years ended June 30, 2022.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain recorded and contingent amounts and disclosures. Actual results could differ from those estimates. Significant estimates include determining depreciable lives of assets and methods of depreciation.

Advertising Expense

Advertising costs are charged to expense when incurred. Total advertising expense was \$40,791 for the year ended June 30, 2022.

Donated Services

Donated services are recognized when the services received create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated time to FOGZ's program services and to its fundraising events. The value of non-professional contributed time is not reflected in the accompanying financial statements because the criteria for recognition of such volunteer effort has not been satisfied.

Fair Value of Financial Instruments

At June 30, 2022, FOGZ's financial instruments consist of cash and cash equivalents and accounts payable. These assets and liabilities are recorded at historical cost or amounts payable. The carrying amounts reported in the statement of financial position approximates fair value because of the short-term nature of these instruments.

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers. This standard became effective for the entity for the year ending June 30, 2021.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FUNDS

FOGZ's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, are as follows:

| | |
|---|--------------------------|
| Cash and cash equivalents | \$ 422,942 |
| Less: purpose restricted grants and contributions | <u>(174,911)</u> |
| Financial assets available to meet general expenditures within one year | <u><u>\$ 248,031</u></u> |

FOGZ maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations become due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, FOGZ considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. FOGZ's financial health is monitored through monthly reporting to the Board of Directors. FOGZ has diverse revenue streams that include corporate grants, individual and corporate contributions, and numerous fundraisers that occur during the year.

NOTE 3 – CASH AND CASH EQUIVALENTS

The FOGZ maintains cash accounts with one financial institution and these accounts are protected by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. At times throughout the year, FOGZ may maintain bank account balances in excess of FDIC insured limit. As of June 30, 2022, FOGZ has an amount of \$179,039 not insured. Management believes FOGZ is not exposed to any significant credit risk with respect to these deposits.

NOTE 4 – COMPENSATED ABSENCES

FOGZ has not accrued a liability for compensated absences as such amounts cannot be reasonably estimated.

NOTE 5 – USE OF OFFICE SPACE

FOGZ utilizes administrative office space on the Greenville Zoo premises. Such office space is provided by the City of Greenville at no charge to FOGZ.

NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing FOGZ's various programs and supporting services is recorded on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated to program initiatives and supporting services based on the actual direct expenditures, and cost allocation are based on management's best estimates of time and usage by personnel and programs.

Expenses incurred are classified in the following functional categories for the year ended June 30, 2022:

| | Program Services | Administrative and General | Fundraising | Total |
|------------------------------|-----------------------------|---------------------------------------|--------------------|-------------------|
| EXPENSES | | | | |
| Payroll and Related Benefits | \$ 98,282 | \$ 32,761 | \$ - | \$ 131,043 |
| Advertising/Marketing | 30,593 | 10,198 | - | 40,791 |
| Zoo Support Events | 13,533 | - | - | 13,533 |
| Professional Fees | - | 862 | - | 862 |
| Grant Expenses | 22,969 | - | - | 22,969 |
| Insurance | - | 2,374 | - | 2,374 |
| Office Expenses | - | 4,983 | - | 4,983 |
| Miscellaneous | - | 6,246 | - | 6,246 |
| Fundraising | - | - | 63,381 | 63,381 |
| Training/Development | - | 645 | - | 645 |
| Business Expenses | - | 1,074 | - | 1,074 |
| TOTAL EXPENSES | \$ 165,377 | \$ 59,143 | \$ 63,381 | \$ 287,901 |

NOTE 7 – DONOR RESTRICTIONS ON NET ASSETS

Donor restricted net assets consist of the following amounts and purposes at June 30:

| | 2022 |
|--|-------------------|
| Restricted by Time or Purpose: | |
| Master Plan | \$ 45,132 |
| Animal Clinic | 1,536 |
| Leopard Holding | 74,191 |
| Lions Den | 50,000 |
| Other | 4,052 |
| Total Restricted for Specific Purpose and/or Passage of Time | \$ 174,911 |

NOTES 8 – COMMITMENTS AND CONTINGENCIES

FOGZ is dependent upon grants, donations, and contributions. FOGZ must apply for renewals of grants and donations. Funding is subject to increases or decreases at the discretion of the grantors or donors.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the accountant's review report, which is the date the financial statements were available to be issued.