



Independent Auditor's Report

To The Board of Directors
The North Carolina Zoological Society, Inc.
Asheboro, North Carolina

Opinion

We have audited the financial statements of The North Carolina Zoological Society, Inc. (a nonprofit organization) (the "Society"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The North Carolina Zoological Society, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Financial Statements section of our report. We are required to be independent of The North Carolina Zoological Society, Inc. 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 North Carolina Zoological Society, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, 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 Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules 1 through 10, as listed in the table of contents, are presented for the purpose of additional analysis and are 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Bernard Robinson & Company, P.C.

Greensboro, North Carolina
May 8, 2024

THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.
Schedule of Board Designated Reserves, Releases, and Net Assets
Year Ended December 31, 2023

Schedule 10

Description	Net Assets	Board	Board	Program	Net Assets	Net Assets	Net Assets
	With Board	Designated	Designated	Services	Transferred	Released	With Board
	Designations	Program Support	Reserve				Designations
	12/31/2022	Additions			Disbursements		12/31/2023
Animal Welfare & Enrichment	\$ 42,933	\$ -	\$ 95,400	\$ (107,469)	\$ -	\$ -	\$ 30,864
Conservation Programs & Initiatives	135,120	-	341,500	(429,749)	61,081	-	107,952 (1)
Design programs & Initiatives	15,754	-	20,000	(18,399)	-	-	17,355
Horticulture Programs & Initiatives	12,033	-	30,000	(32,815)	-	-	9,218
Planning and Facilities	20,000	-	-	-	-	-	20,000 (3)
Veterinary Programs & Initiatives	844	-	150,200	(99,959)	-	-	51,085
Personnel, Supplements, Travel & Training	75,190	-	473,553	(428,431)	-	-	120,312
Education Programs & Initiatives	23,500	-	-	(7,327)	-	-	16,173 (2)
Zoo Visitor growth & Initiatives	-	-	389,347	(327,198)	-	-	62,149
Total Board Designated Transfers	325,374	-	1,500,000	(1,451,347)	61,081	-	435,108
Capital Endowment - Board Restricted	668,640	79,650	-	-	-	-	748,290
Conservation Programs & Initiatives	171,615	35,400	-	(100,299)	(73,000)	-	33,716 (1)
Education Programs & Initiatives	154,306	130,041	-	(159,786)	-	-	124,561 (2)
Funds Turned Over to the Zoo	-	717,993	-	(717,993)	-	-	-
Planning and Facilities	9,112,802	784,901	-	(1,850)	-	-	9,895,853 (3)
Professional Services/Gift Shop	353,879	2,295,453	-	(2,090,051)	28,117	-	587,398
Emergency Reserves	1,360,407	-	-	-	-	(306,984)	1,053,423
	<u>\$ 12,147,023</u>	<u>\$ 4,043,438</u>	<u>\$ 1,500,000</u>	<u>\$ (4,521,326)</u>	<u>\$ 16,198</u>	<u>\$ (306,984)</u>	<u>\$ 12,878,349</u>

(1) \$ 141,668 Total Conservation programs and initiatives
(2) \$ 140,734 Total Education Programs and Initiatives
(3) \$ 9,915,853 Total Planning and facilities

