

**SACRAMENTO ZOOLOGICAL
SOCIETY**

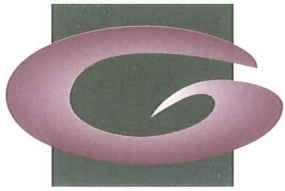
**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED
DECEMBER 31, 2011 AND 2010**

SACRAMENTO ZOOLOGICAL SOCIETY

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Gilbert Associates, Inc.
CPAs and Advisors

INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Sacramento Zoological Society
Sacramento, California**

We have audited the accompanying statements of financial position of the Sacramento Zoological Society (the Society) as of December 31, 2011 and 2010, and the related statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sacramento Zoological Society as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

April 10, 2012

SACRAMENTO ZOOLOGICAL SOCIETY

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2011 AND 2010

ASSETS	<u>2011</u>	<u>2010</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 624,860	\$ 766,649
Accounts receivable	55,517	99,712
Prepaid expenses and other current assets	<u>83,029</u>	<u>88,523</u>
Total current assets	763,406	954,884
INVESTMENTS	3,292,770	1,521,100
PROPERTY AND EQUIPMENT - Net	6,518,246	6,500,942
CHARITABLE REMAINDER TRUST ASSETS	<u>522,665</u>	<u>802,749</u>
TOTAL ASSETS	<u>\$ 11,097,087</u>	<u>\$ 9,779,675</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 205,036	\$ 277,292
Accrued and other liabilities	176,160	160,338
Deferred revenue	294,269	297,038
Current portion of note payable	<u>114,638</u>	<u>110,200</u>
Total current liabilities	790,103	844,868
NOTE PAYABLE - Net	<u>221,342</u>	<u>335,967</u>
TOTAL LIABILITIES	<u>1,011,445</u>	<u>1,180,835</u>
NET ASSETS:		
Unrestricted	6,252,765	6,147,811
Temporarily restricted	643,305	1,055,528
Permanently restricted	<u>3,189,572</u>	<u>1,395,501</u>
Total net assets	<u>10,085,642</u>	<u>8,598,840</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,097,087</u>	<u>\$ 9,779,675</u>

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

SACRAMENTO ZOOLOGICAL SOCIETY

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2011

REVENUES AND SUPPORT:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Program revenues:				
Gate admissions	\$ 2,396,601			\$ 2,396,601
Memberships	737,331			737,331
City of Sacramento	502,151			502,151
Concessions	447,929			447,929
Visitor services and group sales	385,070			385,070
Education	<u>272,707</u>			<u>272,707</u>
Total program revenues	<u>4,741,789</u>			<u>4,741,789</u>
Other support:				
Contributions, grants and sponsorships	203,839	\$ 65,241	\$ 1,794,071	2,063,151
Special events - net of costs of \$207,505	186,183			186,183
Rent and other revenue	60,980			60,980
In-kind donations - net	26,771			26,771
Satisfaction of restrictions - operations	<u>67,196</u>	<u>(67,196)</u>		
Total other support	<u>544,969</u>	<u>(1,955)</u>	<u>1,794,071</u>	<u>2,337,085</u>
Total revenues and support	<u>5,286,758</u>	<u>(1,955)</u>	<u>1,794,071</u>	<u>7,078,874</u>
OPERATING EXPENSES:				
Program services:				
Animal care	2,428,726			2,428,726
Membership and visitor services	924,222			924,222
Education	624,620			624,620
Promotions and public relations	<u>257,831</u>			<u>257,831</u>
Total program services	<u>4,235,399</u>			<u>4,235,399</u>
Supporting services:				
Fundraising	408,485			408,485
General and administrative	<u>447,947</u>			<u>447,947</u>
Total supporting services	<u>856,432</u>			<u>856,432</u>
Total operating expenses	<u>5,091,831</u>			<u>5,091,831</u>
NET INCOME (LOSS) FROM OPERATIONS	194,927	(1,955)	1,794,071	1,987,043
Bequests	26,000			26,000
Investment loss	(20,252)			(20,252)
Contributions for capital projects	91,071	35,871		126,942
Satisfaction of restrictions - capital projects	166,055	(166,055)		
Depreciation and amortization expense	(352,847)			(352,847)
Change in value of charitable remainder trust assets		<u>(280,084)</u>		<u>(280,084)</u>
INCREASE (DECREASE) IN NET ASSETS	104,954	(412,223)	1,794,071	1,486,802
NET ASSETS, Beginning of Year	<u>6,147,811</u>	<u>1,055,528</u>	<u>1,395,501</u>	<u>8,598,840</u>
NET ASSETS, End of Year	<u>\$ 6,252,765</u>	<u>\$ 643,305</u>	<u>\$ 3,189,572</u>	<u>\$ 10,085,642</u>

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

SACRAMENTO ZOOLOGICAL SOCIETY

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2010

REVENUES AND SUPPORT:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Program revenues:				
Gate admissions	\$ 2,314,878			\$ 2,314,878
Memberships	745,060			745,060
City of Sacramento	519,580			519,580
Concessions	421,646			421,646
Visitor services and group sales	339,988			339,988
Education	232,851			232,851
Total program revenues	4,574,003	_____	_____	4,574,003
Other support:				
Contributions, grants and sponsorships	266,939	\$ 65,688	\$ 869	333,496
Special events - net of costs of \$145,571	150,401	51,769		202,170
Rent and other revenue	59,649			59,649
In-kind donations - net	21,915			21,915
Satisfaction of restrictions - operations	45,876	(45,876)		
Total other support	544,780	71,581	869	617,230
Total revenues and support	5,118,783	71,581	869	5,191,233
OPERATING EXPENSES:				
Program services:				
Animal care	2,318,238			2,318,238
Membership and visitor services	916,782			916,782
Education	570,976			570,976
Promotions and public relations	316,632			316,632
Total program services	4,122,628	_____	_____	4,122,628
Supporting services:				
Fundraising	362,742			362,742
General and administrative	383,711			383,711
Total supporting services	746,453	_____	_____	746,453
Total operating expenses	4,869,081	_____	_____	4,869,081
NET INCOME FROM OPERATIONS	249,702	71,581	869	322,152
Bequests	75,000			75,000
Investment income	117,725			117,725
Contributions for capital projects	6,272	111,685		117,957
Satisfaction of restrictions - capital projects	119,959	(63,959)	(56,000)	
Depreciation and amortization expense	(388,646)			(388,646)
Change in value of charitable remainder trust assets		191,237		191,237
Total	180,012	310,544	(55,131)	435,425
INCREASE (DECREASE) IN NET ASSETS	180,012	310,544	(55,131)	435,425
NET ASSETS, Beginning of Year	5,967,799	744,984	1,450,632	8,163,415
NET ASSETS, End of Year	\$ 6,147,811	\$ 1,055,528	\$ 1,395,501	\$ 8,598,840

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

SACRAMENTO ZOOLOGICAL SOCIETY

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 1,486,802	\$ 435,425
Reconciliation to net cash provided by operating activities:		
Depreciation and amortization expense	352,847	388,646
Realized and unrealized loss (gain) on investments	39,849	(104,865)
Receipt of donated investments		(9,943)
Permanently restricted contributions	(1,794,071)	(869)
Contributed property and equipment	(91,071)	(6,272)
Changes in:		
Accounts receivable	44,195	(27,734)
Bequests receivable		50,000
Prepaid expenses and other current assets	5,494	(56,775)
Charitable remainder trust assets	280,084	(191,237)
Accounts payable	(72,256)	(320,103)
Accrued and other liabilities	15,822	8,675
Deferred revenue	(2,769)	16,178
Net cash provided by operating activities	<u>264,926</u>	<u>181,126</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,811,519)	(10,219)
Proceeds from sale of investments		66,412
Purchases of property and equipment	<u>(279,080)</u>	<u>(283,778)</u>
Net cash used by investing activities	<u>(2,090,599)</u>	<u>(227,585)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on note payable	(110,187)	(106,049)
Permanently restricted contributions	<u>1,794,071</u>	<u>869</u>
Net cash provided (used) by financing activities	<u>1,683,884</u>	<u>(105,180)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(141,789)	(151,639)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>766,649</u>	<u>918,288</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 624,860</u>	<u>\$ 766,649</u>
SUPPLEMENTAL NON-CASH ACTIVITY:		
Interest paid	<u>\$ 15,158</u>	<u>\$ 19,239</u>

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

SACRAMENTO ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

1. OPERATIONS

The Sacramento Zoological Society (the Society) is a nonprofit public benefit corporation dedicated to the conservation of the world's wildlife through stimulating education and recreation programs, creative and naturalistic exhibits, and innovative species management programs.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Society reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Revenue recognition – Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in temporarily or permanently restricted net assets. Temporarily restricted net assets become unrestricted, and are reported in the statements of activities as net assets released from restrictions, when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets are those net assets whose use by the Society is restricted by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by the actions of the Society and consist of contributions to the Society's endowment funds.

Gate admissions and concessions revenue is recognized upon receipt. Membership revenue is recognized over the term of the membership period, typically one year. Education, visitor services and special event revenues are recognized when the related events occur.

Donated materials, equipment, and professional services are recorded as in-kind donations and recognized at the estimated fair value as of the date of donation or service. Contributed services that do not meet the criteria for recognition are not reflected in the financial statements.

Cash and cash equivalents – For financial statement purposes, the Society considers all investments, including certificates of deposit, with an initial maturity of three months or less to be cash equivalents, unless held for long-term investing purposes.

Property and equipment is stated at cost. The Society capitalizes all expenditures for property and equipment with a cost of \$2,500 or more. Depreciation is computed using the straight-line method over estimated useful lives of 5 to 39 years. Park improvements represent costs the Society has incurred for building and improving exhibits on the premises of the Sacramento Zoo and are amortized over their estimated useful lives. Should the lease with the City of Sacramento expire, these assets would become the property of the City.

SACRAMENTO ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

Charitable remainder trust assets reflect the estimated fair value of various irrevocable charitable trusts, held by a third-party trustee, for which the Society is a remainder beneficiary. The fair value of the Society's remainder interest in irrevocable trusts is determined using investment returns consistent with the composition of the asset portfolios, life expectancies of the lead beneficiaries, and discount rates of 4.0% and 1.8% for December 31, 2011 and 2010, respectively. The donors have imposed purpose restrictions on the Society's use of the funds when eventually received.

Functional expenses – The costs of providing the program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated based on employees' time incurred and management's estimate of the usage of resources.

Income taxes – The Society is publicly supported and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

The Society has implemented the amended accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements. With some exceptions, the Society is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2007.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair value measurements – The Society values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Society utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs in which there is little or no market data, which requires management to develop their own assumptions.

Subsequent events have been evaluated through April 10, 2012, the date the financial statements were available to be issued.

SACRAMENTO ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

Reclassifications – Certain 2010 amounts have been reclassified to conform to the 2011 financial statement presentation.

3. INVESTMENTS

The Society's investments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

Investments consist of the following at December 31:

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 1,867,440	\$ 77,522
Certificates of deposit	272,763	362,441
Mutual funds:		
Value funds	351,490	332,108
Fixed income funds	197,721	197,357
Blended funds	194,352	159,967
Growth funds	82,228	139,922
Real estate funds	61,926	
Common stocks:		
Technology	159,232	157,680
Services	67,911	56,817
Healthcare	27,660	25,209
Conglomerate	6,179	6,310
Financial services	<u>3,868</u>	<u>5,767</u>
Total	<u>\$ 3,292,770</u>	<u>\$ 1,521,100</u>

Investment income (loss) consists of the following:

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 33,846	\$ 26,519
Investment management fees	(14,249)	(13,659)
Net realized and unrealized gains (losses)	<u>(39,849)</u>	<u>104,865</u>
Total	<u>\$ (20,252)</u>	<u>\$ 117,725</u>

SACRAMENTO ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2011</u>	<u>2010</u>
Park improvements	\$ 7,061,656	\$ 6,697,562
Zoo operations equipment	1,326,450	1,315,013
Education trailers	199,489	199,489
Equipment	191,089	191,089
Work in progress	4,900	10,280
Art work	<u>50,300</u>	<u>50,300</u>
Total	8,833,884	8,463,733
Less accumulated depreciation and amortization	<u>(2,315,638)</u>	<u>(1,962,791)</u>
Property and equipment, net	<u>\$ 6,518,246</u>	<u>\$ 6,500,942</u>

Management estimates that approximately 95% of depreciation and amortization expense relates to program services and 5% to supporting services for 2011 and 2010.

5. CHARITABLE REMAINDER TRUST ASSETS

The Society's charitable remainder trusts are classified within Level 3 of the fair value hierarchy because determination of the present value of future cash flows is based on little or no market data and requires management to develop their own assumptions. The donors have imposed purpose restrictions on the Society's use of the funds when eventually received.

Changes in the Level 3 charitable remainder trust assets consist of:

	<u>2011</u>	<u>2010</u>
Beginning balance	\$ 802,749	\$ 611,512
Unrealized gain (loss) in value of charitable remainder trust assets	<u>(280,084)</u>	<u>191,237</u>
Ending balance	<u>\$ 522,665</u>	<u>\$ 802,749</u>

SACRAMENTO ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

6. AGREEMENT WITH THE CITY OF SACRAMENTO

The Society and the City of Sacramento (the City) have a partnership agreement for the Sacramento Zoo. Under the agreement, the Society is responsible for the operation, management and development of the Zoo. The City retains ownership of the Zoo grounds, real property, some of the animal collection, and other certain fixed assets. In consideration for operating the Zoo, the City provided \$502,151 and \$519,580 to the Society during 2011 and 2010, respectively.

Under the partnership agreement, the Society is responsible for reimbursing the City for certain operating expenses. The City nets the management fees owed to the Society with the amount the Society owes the City for operating expenses on a quarterly basis. The net receivable balance due from the City was \$30,593 and \$46,856 at December 31, 2011 and 2010, respectively, and is included in accounts receivable on the statements of financial position.

Under the partnership agreement, the Society is also entitled to receive a percentage of rental revenue generated from Funderland, Inc., a nearby attraction from the City. The Society recognized rental revenue from Funderland, Inc. in the amount of \$60,980 and \$59,649 for 2011 and 2010, respectively.

7. NET ASSETS

A portion of the Society's unrestricted net assets are designated as follows:

	<u>2011</u>	<u>2010</u>
Board designated:		
Capital improvements	\$ 40,127	
Red panda exhibit		\$ 75,000
Undesignated	<u>6,212,638</u>	<u>6,072,811</u>
Total	<u>\$ 6,252,765</u>	<u>\$ 6,147,811</u>

Temporarily restricted net assets consist of unexpended funds from contributions and bequests, restricted for use in the following programs:

	<u>2011</u>	<u>2010</u>
Capital improvements, time restrictions	\$ 522,665	\$ 802,749
SSP and Conservation funds	50,994	54,907
Small animal renovation	5,000	
Otter exhibit		134,203
Miscellaneous	<u>64,646</u>	<u>63,669</u>
Total	<u>\$ 643,305</u>	<u>\$ 1,055,528</u>

SACRAMENTO ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

The Society's endowments consist of donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Society classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) accumulated unrealized appreciation and depreciation of endowment investments if directed by the donor gift instrument, (c) the original value of subsequent gifts to the permanent endowments, and (d) 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.

Permanently restricted net assets of \$3,189,572 and \$1,395,501 consist of two endowment funds at December 31, 2011 and one endowment fund at December 31, 2010, respectively.

Under the endowment investment policy as approved by the Board of Directors, the primary investment objectives are to preserve principal, to provide a dependable and reasonable rate of return consistent with appropriate investment risk, and to maximize income within a framework of moderate risk assumption. When the donor's intent is not explicitly expressed, the Society has a policy of annually distributing five percent of its endowment funds' investment income at September 1, except when a distribution would cause the endowment to reduce below the original principal balance.

Changes in permanently restricted endowment net assets are as follows:

Year ending December 31, 2011:

Endowment net assets, beginning of year	\$ 1,395,501
Contributions	<u>1,794,071</u>
Endowment net assets, end of year	<u>\$ 3,189,572</u>

Year ending December 31, 2010:

Endowment net assets, beginning of year	\$ 1,450,632
Contributions	869
Endowment expenditures	<u>(56,000)</u>
Endowment net assets, end of year	<u>\$ 1,395,501</u>

SACRAMENTO ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

8. IN-KIND DONATIONS

Donated materials, equipment, and services were recognized as follows:

	<u>2011</u>	<u>2010</u>
Capital improvements	\$ 91,071	\$ 6,272
Auction items	87,712	60,192
Miscellaneous	<u>24,064</u>	<u>13,431</u>
Total in-kind donations	202,847	79,895
Less amounts included in special events	(85,005)	(51,708)
Less amounts included in contributions for capital projects	<u>(91,071)</u>	<u>(6,272)</u>
Total	<u>\$ 26,771</u>	<u>\$ 21,915</u>

9. LINE OF CREDIT AGREEMENT

The Society has a line of credit agreement with US Bank. The line of credit has a credit limit of \$500,000, with a variable interest rate equal to the bank's prime rate (3.25% at December 31, 2011 and 2010). The line of credit expires on August 5, 2012. At December 31, 2011 and 2010, no funds were borrowed on this line.

10. NOTE PAYABLE

The Society has a note payable with US Bank. The note is secured by equipment and is payable in monthly installments of \$10,445, including interest at an annual rate of 3.78% and maturing October 15, 2014. The Society is in compliance with all debt covenants related to the note payable.

Scheduled annual maturities of the note payable are as follows:

<u>Year ending December 31:</u>	
2012	\$ 114,638
2013	119,047
2014	<u>102,295</u>
Total	\$ 335,980
Less: current portion	<u>(114,638)</u>
Note payable - net	<u>\$ 221,342</u>

SACRAMENTO ZOOLOGICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

11. RETIREMENT PLAN

The Society sponsors a retirement plan under Internal Revenue Code 403(b). Employees become eligible to participate in the Plan upon hire. Plan employees who complete at least 1,000 hours of service during the plan year are eligible to receive an allocation of any matching and non-elective contributions made at the discretion of the Society. During 2011 and 2010, the Society contributed to the plan one percent of each participant's compensation and matched one and a half percent of each employee's contribution. Employees are 100% vested at all times. The Society's contributions to this plan amounted to \$50,891 and \$53,865 during 2011 and 2010, respectively.

The Society has also established a deferred compensation plan under IRC Section 457(b). The 457(b) plan provides up to \$16,500 of deferred compensation per year, dependent on IRS limits, following completion of 2 years of service with the Society. For 2011 and 2010, the Society made contributions of 7% of eligible compensation. Such contributions totaled \$6,631 and \$8,967 for 2011 and 2010, respectively.

12. COMMITMENTS

The Society has a concessions agreement with Service Systems Associates, Inc. (SSA) to provide for the operation of a food, beverage, and gift shop concession at the Zoo. SSA has agreed to pay the Society certain percentages of gross receipts based on the various types of concession sales. Concession revenues totaled \$447,929 and \$421,646 for 2011 and 2010, respectively.

13. CONCENTRATIONS OF CASH

The Society maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Society has not experienced any losses in such accounts. Management believes the Society is not exposed to any significant credit risk related to cash.