



como friends
THRIVE ON

COMO FRIENDS

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Como Friends
Saint Paul, Minnesota

Opinion

We have audited the accompanying financial statements of Como Friends, a Minnesota non-profit corporation, 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, cash flows, and functional expenses for the years 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 Como Friends as of December 31, 2023 and 2022, and the changes in 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 audits 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 Como Friends and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Como Friends' 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. 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 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 Como Friends' 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 Como Friends' 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.

Boyum & Barescheer PLLP

Boyum & Barescheer PLLP
Saint Paul, Minnesota
June 25, 2024

COMO FRIENDS

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,253,685	\$ 1,612,393
Certificates of deposit short-term	3,309,469	1,225,295
Bequests receivable	14,000	14,000
Contributions receivable, current	205,785	27,278
Inventory	326,791	361,610
Prepaid expenses and other	47,162	35,239
Total current assets	5,156,892	3,275,815
OTHER		
Certificates of deposit long-term	1,794,588	2,145,162
Contributions receivable, net of current portion	813,042	50,565
Property and equipment, net	151,587	175,593
Beneficial interests in assets held by others	10,574,440	10,200,250
Total other assets	13,333,657	12,571,570
Total assets	\$ 18,490,549	\$ 15,847,385
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 34,595	\$ 192,091
Accrued expenses and other liabilities	97,148	88,162
Total current liabilities	131,743	280,253
NET ASSETS		
Net assets without donor restrictions:		
Board reserve and project funds	3,094,358	1,864,300
Board designated endowment	147,083	142,631
Undesignated	3,165,517	3,098,211
Total net assets without donor restrictions	6,406,958	5,105,142
Net assets with donor restrictions:		
Perpetual in nature	7,937,160	7,937,160
Purpose restrictions	2,603,193	2,050,914
Time-restricted for future periods	1,411,495	473,916
Total net assets with donor restrictions	11,951,848	10,461,990
Total net assets	18,358,806	15,567,132
Total liabilities and net assets	\$ 18,490,549	\$ 15,847,385

The Notes to Financial Statements are an integral part of these statements.

COMO FRIENDS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND SUPPORT						
Contributions	\$ 2,901,850	\$ 130,242	\$ 3,032,092	\$ 1,912,347	\$ 860,103	\$ 2,772,450
In-kind contributions	109,683	927,158	1,036,841	115,797	85,337	201,134
Gift shop sales	2,526,684	-	2,526,684	2,484,326	-	2,484,326
Cost of goods sold	994,133	-	994,133	950,661	-	950,661
<i>Gift shop sales, net</i>	1,532,551	-	1,532,551	1,533,665	-	1,533,665
Special events	401,090	-	401,090	296,130	-	296,130
Less cost of direct benefit to donors	(50,802)	-	(50,802)	(39,440)	-	(39,440)
<i>Special events, net</i>	350,288	-	350,288	256,690	-	256,690
Membership	297,916	-	297,916	302,484	-	302,484
Increase (decrease) in beneficial interest in assets held by others	10,881	761,985	772,866	(15,442)	(1,023,887)	(1,039,329)
Investment return, net	232,641	-	232,641	(11,543)	-	(11,543)
Other income	105,749	-	105,749	107,611	-	107,611
Net assets released from restrictions and transfers	329,527	(329,527)	-	1,506,021	(1,506,021)	-
<i>Total revenue and support</i>	5,871,086	1,489,858	7,360,944	5,707,630	(1,584,468)	4,123,162
EXPENSES						
Programs:						
Zoo and conservatory programs	1,992,211	-	1,992,211	2,006,908	-	2,006,908
Gift shops	857,562	-	857,562	668,480	-	668,480
	2,849,773	-	2,849,773	2,675,388	-	2,675,388
Support services:						
Management and general	873,019	-	873,019	803,621	-	803,621
Fund development	846,478	-	846,478	737,222	-	737,222
Capital campaign	-	-	-	6,498	-	6,498
	1,719,497	-	1,719,497	1,547,341	-	1,547,341
<i>Total expenses</i>	4,569,270	-	4,569,270	4,222,729	-	4,222,729
<i>Increase (decrease) in net assets</i>	1,301,816	1,489,858	2,791,674	1,484,901	(1,584,468)	(99,567)
Net assets, beginning of year	5,105,142	10,461,990	15,567,132	3,620,241	12,046,458	15,666,699
<i>Net assets, end of year</i>	\$ 6,406,958	\$ 11,951,848	\$ 18,358,806	\$ 5,105,142	\$ 10,461,990	\$ 15,567,132

The Notes to Financial Statements are an integral part of these statements.

COMO FRIENDS

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions, net of amounts restricted for long-term purposes	\$ 2,944,466	\$ 3,310,693
Receipts from special events	401,090	296,130
Membership receipts	297,916	302,484
Gift shop sales receipts	2,526,684	2,484,326
Other cash receipts	248,580	152,942
Grants paid	(1,861,058)	(1,887,265)
Payments for salaries, staff, and payroll taxes	(1,844,713)	(1,634,932)
Payments to vendors	(1,815,152)	(1,635,976)
<i>Cash provided by operating activities</i>	897,813	1,388,402
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(11,419)	(99,047)
Purchase of certificates of deposit	(2,843,954)	(4,238,976)
Proceeds from redemption of certificates of deposits	1,200,175	818,000
<i>Cash (used in) investing activities</i>	(1,655,198)	(3,520,023)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	-	(219,380)
Transfer to beneficial interests in assets held by others	-	(400,000)
Distributions from beneficial interest in assets held by others	398,677	400,218
<i>Cash provided by (used in) financing activities</i>	398,677	(219,162)
<i>Net change in cash</i>	(358,708)	(2,350,783)
Cash, beginning of year	1,612,393	3,963,176
<i>Cash, end of year</i>	\$ 1,253,685	\$ 1,612,393

The Notes to Financial Statements are an integral part of these statements.

COMO FRIENDS

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023 (with comparative totals for 2022)

	2023						2022	
	Program Services			Supporting Services			Totals	Totals
	Zoo and Conservatory Programs	Gift Shops	Total Program Services	Management and General	Fund Development			
					Special Events and Other	Total Supporting Services		
Salaries	\$ 35,100	\$ 618,213	\$ 653,313	\$ 442,898	\$ 418,122	\$ 861,020	\$ 1,514,333	\$ 1,349,308
Payroll taxes and benefits	6,944	123,078	130,022	125,192	80,295	205,487	335,509	304,124
Total personnel costs	42,044	741,291	783,335	568,090	498,417	1,066,507	1,849,842	1,653,432
Cost of goods sold	-	994,133	994,133	-	-	-	994,133	950,661
Printing, design and postage	25,643	1,175	26,818	26,518	124,979	151,497	178,315	109,858
Event and program costs	-	931	931	10,530	178,926	189,456	190,387	152,721
Rent and utilities	-	73,816	73,816	26,573	55,655	82,228	156,044	90,370
Professional fees and consultants	58,953	4,000	62,953	61,128	476	61,604	124,557	154,594
Outside services and contract labor	-	468	468	75,165	20,570	95,735	96,203	80,809
Other expenses	4,688	13,561	18,249	22,718	13,292	36,010	54,259	22,814
Repair, maintenance and technology	-	6,471	6,471	43,928	-	43,928	50,399	32,764
Supplies	-	4,725	4,725	13,893	4,965	18,858	23,583	55,722
Depreciation	-	11,124	11,124	24,301	-	24,301	35,425	21,820
Zoo and conservatory programs and improvements grants	1,860,883	-	1,860,883	175	-	175	1,861,058	1,251,921
Capital project and support grants	-	-	-	-	-	-	-	635,344
Total expenses	\$ 1,992,211	\$ 1,851,695	\$ 3,843,906	\$ 873,019	\$ 897,280	\$ 1,770,299	\$ 5,614,205	\$ 5,212,830
Cost of goods sold	-	(994,133)	(994,133)	-	-	-	(994,133)	(950,661)
Event costs of direct benefit to donors	-	-	-	-	(50,802)	(50,802)	(50,802)	(39,440)
Total expenses per Statements of Activities and Changes in Net Assets	\$ 1,992,211	\$ 857,562	\$ 2,849,773	\$ 873,019	\$ 846,478	\$ 1,719,497	\$ 4,569,270	\$ 4,222,729

The Notes to Financial Statements are an integral part of these statements.

COMO FRIENDS

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	2022							
	Program Services				Supporting Services			
	Zoo and Conservatory Programs	Gift Shops	Total Program Services	Management and General	Fund Development		Total Supporting Services	Totals
					Special Events and Other	Capital Campaign		
Salaries	\$ 28,764	\$ 491,336	\$ 520,100	\$ 451,566	\$ 377,642	\$ -	\$ 829,208	\$ 1,349,308
Payroll taxes and benefits	5,263	104,885	110,148	125,815	68,161	-	193,975	304,124
Total personnel costs	34,027	596,221	630,248	577,381	445,803	-	1,023,184	1,653,432
Cost of goods sold	-	950,661	950,661	-	-	-	-	950,661
Event and program costs	-	1,096	1,096	11,795	139,830	-	151,625	152,721
Printing, design and postage	22,177	741	22,918	16,227	108,952	6,498	131,676	154,594
Rent and utilities	-	30,000	30,000	25,441	54,417	-	79,858	109,858
Professional fees and consultants	63,189	3,100	66,289	24,081	-	-	24,081	90,370
Outside services and contract labor	-	256	256	60,718	19,835	-	80,553	80,809
Other expenses	250	12,072	12,322	39,485	3,915	-	43,400	55,722
Repair, maintenance and technology	-	5,220	5,220	27,544	-	-	27,544	32,764
Supplies	-	5,546	5,546	13,357	3,910	-	17,268	22,814
Depreciation	-	14,228	14,228	7,592	-	-	7,592	21,820
Zoo and conservatory programs and improvements grants	1,251,921	-	1,251,921	-	-	-	-	1,251,921
Capital project and support grants	635,344	-	635,344	-	-	-	-	635,344
Total expenses	\$ 2,006,908	\$ 1,619,141	\$ 3,626,049	\$ 803,621	\$ 776,662	\$ 6,498	\$ 1,586,781	\$ 5,212,830
Cost of goods sold	-	(950,661)	(950,661)	-	-	-	-	(950,661)
Event costs of direct benefit to donors	-	-	-	-	(39,440)	-	(39,440)	(39,440)
Total expenses per Statements of Activities and Changes in Net Assets	\$ 2,006,908	\$ 668,480	\$ 2,675,388	\$ 803,621	\$ 737,222	\$ 6,498	\$ 1,547,341	\$ 4,222,729

The Notes to Financial Statements are an integral part of these statements.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Como Friends (the Organization) is a Minnesota non-profit corporation. The Organization inspires community generosity in support of Como Park Zoo & Conservatory, so it thrives for generations to come. The Organization's revenue and support is primarily from contributions, gift shop sales, and fundraising events. As Como Park Zoo and Conservatory are owned and operated by the City of St. Paul (City), the Organization works collaboratively with the City under a Memorandum of Understanding.

Basis of accounting and presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its *ASC 958*. Under *ASC 958, Financial Statements of Not-for-Profit Organizations*, the Organization is required to report information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based upon the existence or absence of time, purpose or perpetual restrictions.

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. Actual results could differ from those estimates.

Cash

For purposes of the statement of cash flows, the Organization considers short-term, highly liquid investments and investments purchased with a maturity of three months or less to be cash equivalents. The Organization maintains deposits in financial institutions that may, at times, exceed federal depository insurance limits. Amounts that exceed FDIC insurance are subject to credit risk. However, the Organization maintains its cash with high quality financial institutions which the Organization believes limits these risks.

Certificates of deposit

Certificates of deposit are classified as available-for-sale and are recorded based on their carrying value, which approximates fair value.

Board reserve and project funds

Board Funds includes cash and bequests receivable. The Board Funds have been established to provide a resource for operating expenses in case of unexpected downturns or crisis situations and to fund programs and capital projects as directed by the Board of Directors. Bequests, absent restrictions, are classified within board funds per the policy of the Organization.

Contributions receivable

Unconditional promises to give to the Organization that are expected to be collected within one year are reported a net realizable value. Unconditional promises to give that are expected to be collected beyond one year are recorded at the present value of estimated future cash flows using a discount rate which approximates the yield on the 10-year U.S. Treasury Note. In years subsequent to the initial present value calculations, amortization of the discounts is recorded as contribution revenue. No allowance for uncollectible amounts is provided since all amounts are deemed collectible.

Inventory

Inventory consists of items held for sale in the Organization's gift shop and is valued at lower cost or net realizable value, using the first-in, first-out (FIFO) method.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Property and equipment

Property and equipment purchased with estimated useful lives in excess of one year are recorded at acquired cost. Leasehold improvements, furniture, fixtures, and equipment additions with a cost or value over \$500 are reported at cost if purchased or at estimated fair value if acquired by donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Equipment	3-15 years
Furniture and fixtures	3-10 years
Leasehold improvements	8-17 years

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*, which amended the existing accounting standards for lease accounting, including changes to accounting for leases for Lessors. The new lease standard was effective for the Organization's year beginning January 1, 2022. The FASB requires that all leases be classified as either operating or financing type lease and that a right of use asset and lease liability be recorded on the statement of financial position. The Organization adopted this standard effective January 1, 2022. The lease standard was adopted using a modified retrospective approach. There was no cumulative effect on the financial statements upon implementation. At December 31, 2023 and 2022, there were no right of use assets or lease liabilities, since the office and gift shop leases are below market leases as further discussed in Note 9.

Beneficial interests in assets held by others

The Organization established as endowments four separate charitable funds which are held by the Saint Paul and Minnesota Foundation (the Foundation) under terms of separate fund agreements (Note 8). The charitable funds were funded by certain contributions to the Organization. The estimated fair values of the funds have been recognized by the Organization as beneficial interests in assets held by others. The amount of the principal originally contributed to a fund is classified based on the existence and nature of any donor restrictions

Annual adjustments to the fair values of the amounts reported as assets are recognized as increases or decreases in the beneficial interests in assets held by others and are classified based on the existence and nature of any donor restrictions.

Revenue from exchange transactions

Gift shop sales

Gift shop sales are recognized at the time of sale and presented on the statements of activities as gross sales less the cost of the items sold.

Special events revenue

Special events revenue consists of both exchange and contribution revenues. Exchange revenue is comprised of ticket sales, sponsorships, auction revenue and contest revenue. Each of these types of revenue is recognized at the time of the event as the related benefits are transferred to the customer.

Revenue from contributions

Contributions, including unconditional promises to give, are recognized as revenue without donor restrictions or with donor restrictions, based on the existence and nature of any donor restrictions.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Revenue from contributions (continued)

Donor-restricted contributions are reported as net assets with donor restrictions. When a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contribution revenue and investment income that is donor-restricted as to purpose or timing of use is recognized as unrestricted revenue if the specified restriction is met in the same period as the revenue is reported.

Contributed services, materials, and facilities are recorded as in-kind contributions at their estimated fair values. Contributed services are recorded only if the services creates or enhances nonfinancial assets or requires specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not contributed.

Memberships

Membership revenue has components of both exchange and contribution revenue recognition. Certain membership levels are entitled to benefits along with their membership from discounted purchases in the gift shop and to certain events to points redeemable at the amusement park. The amount of benefit assigned to memberships is considered de minimis and therefore the cost of the membership is treated as a contribution.

The Organization holds events during the year in order to raise funds. Revenue from sponsorships and ticket sales related to a fundraising event is recognized when the event takes place. Contributions received and promises to give as a result of the event follow the revenue recognition for contribution revenue noted above.

Income taxes

Como Friends is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is a publicly-supported organization and contributions to it qualify as a charitable tax deduction for the contributors as permitted by law. The Organization generates unrelated business income from a portion of its gift shop sales. Income taxes resulting from unrelated business income were \$-0- in 2023 and 2022.

The Organization has not been recently audited; and accordingly, the information tax returns for the past three years are open to examination. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements.

Functional expenses

Expenses are classified on a direct allocation basis, except for certain expenses allocated among the program services and supporting services categories based upon the estimated time expended by staff in those categories. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated on the basis of time spent and postage which is allocated on the basis of usage.

Subsequent events

Management has evaluated the effects of subsequent events through June 25, 2024, the date that the financial statements were available to be released.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 classifications. These reclassifications had no effect on the change in net assets or net assets as previously reported.

NOTE 2. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at:

DECEMBER 31,	2023	2022
Cash	\$ 1,253,685	\$ 1,612,393
Certificates of deposit short-term	3,309,469	1,225,295
Bequests receivable—board reserve and project funds	14,000	14,000
Contributions receivable, current	205,785	27,278
Prepaid expenses and other	47,162	35,239
Expected distributions from beneficial interests in assets held by others	83,973	83,116
<i>Subtotal</i>	4,914,074	2,997,321
Less:		
In-kind contributions receivable, current	(135,785)	(17,278)
Prepaid expenses and other, non-cash	(45,221)	(33,287)
Net assets with donor restrictions, board reserve, or board project funds in excess of long-term future liquid assets	(2,824,261)	(123,509)
Additional liquid assets committed to zoo and conservatory projects within one year (Note 6)	(494,282)	(345,962)
<i>Total</i>	\$ 1,414,525	\$ 2,477,285

The Organization's goal is to maintain financial assets to meet 120 days of operating expense (approximately \$900,000). As part of its liquidity plan, available cash is placed in tiered certificates of deposit. See Note 6 for board designated net assets. The board can un-designate funds to be used for general expenditures as necessary.

NOTE 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of unconditional promises to give for the following purposes at:

DECEMBER 31,	2023	2022	2021
Marjorie McNeely Conservatory support	\$ -	\$ -	\$ 400,000
Como Harbor Project	-	-	150,484
General operating	70,000	10,000	-
In-kind- facility rent	1,159,466	69,976	-
Less: unamortized discount	(255,559)	(2,133)	(2,241)
<i>Totals</i>	973,907	77,843	548,243
Less: current portion	(160,865)	(27,278)	(300,400)
<i>Contributions receivable, net of current portion</i>	\$ 813,042	\$ 50,565	\$ 247,843

All contributions receivable excluding current contributions receivable are scheduled to be received in one to five years.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 3. (CONTINUED)

The Organization has received intentions to give from individuals that have named the Organization as a beneficiary. These gifts have not been recognized as assets or contribution revenue as they are considered conditional promises to give.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment is stated at cost and consisted of the following at:

DECEMBER 31,	2023	2022
Equipment	\$ 171,145	\$ 158,272
Furniture and fixtures	25,824	25,824
Leasehold improvements	124,177	124,177
<i>Totals</i>	321,146	308,273
Accumulated depreciation	(169,559)	(132,680)
<i>Property and equipment, net</i>	\$ 151,587	\$ 175,593

Depreciation expense was \$35,425 and \$21,820 for the years ended December 31, 2023 and 2022, respectively.

NOTE 5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization follows ASC 820 (“Fair Value Measurement”), which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Organizations have access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit (CDs): Valued at their carrying value, which approximates fair value.

Beneficial interests in assets held by others: Valued accordance with Level 3 inputs and are based upon the estimates provided by the Foundation in the absence of readily determinable values. Such values may differ from the values that would have been used had a ready market existed for these interests, and the differences could be significant.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 5. (CONTINUED)

There have been no changes in the methodologies used at December 31, 2023 and 2022.

The fair values of beneficial interests in assets held by the Foundation for the benefit of the Organization consisted of the following at:

DECEMBER 31, 2023	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 5,104,057	\$ -	\$ 5,104,057
Beneficial interest in assets held by others	-	-	10,574,440	10,574,440
<i>Total investments at fair value</i>	\$ -	\$ 5,104,057	\$ 10,574,440	\$ 15,678,497

DECEMBER 31, 2022	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 3,370,457	\$ -	\$ 3,370,457
Beneficial interest in assets held by others	-	-	10,200,250	10,200,250
<i>Total investments at fair value</i>	\$ -	\$ 3,370,457	\$ 10,200,250	\$ 13,570,707

Changes in the fair values of the Organization's Level 3 assets consisted of the following:

YEARS ENDED DECEMBER 31,	2023	2022
Balance, beginning of year	\$ 10,200,250	\$ 11,020,416
Investment gain (loss)	772,866	(1,039,328)
Contributions and transfers	-	619,380
Distributions	(398,676)	(400,218)
<i>Balance, end of year</i>	\$ 10,574,440	\$ 10,200,250

NOTE 6. BOARD DESIGNATED NET ASSETS

Board designated net assets consisted of the following at:

DECEMBER 31,	2023	2022
Cash/CDs—Board Project Fund	\$ 2,297,444	\$ 1,230,149
Cash/CDs—Board Reserve Fund	796,914	634,151
<i>Subtotal</i>	3,094,358	1,864,300
Helen and Ruth Peterson fund	147,083	142,631
<i>Totals</i>	\$ 3,241,441	\$ 2,006,931

The purpose of the Board Project Fund is to hold operating surplus funds and gifts/bequests without donor restriction until the Board of Directors designates how the funds will be utilized. The Board Project Fund is included in the financial assets available for general expenditure within one year (Note 2). Board Project Funds totaling \$494,282 included in the Board Funds have been designated by the Board for use in 2024, primarily for projects at Como Park Zoo and Conservatory (Note 2).

The Board of Directors has established the Board Reserve Fund as funds held in reserve to provide a resource for operating expenses in case of unexpected downturns or crisis situations. This fund exists to stabilize the Organization's operations in case of unexpected events, losses of income or large unbudgeted expenses. This fund is included in the financial assets available for general expenditure within one year (Note 2).

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 6. (CONTINUED)

The Helen and Ruth Peterson Fund was established by the Board of Directors to accept donations for the purpose of making grants to Como Park Zoo and Conservatory.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

The following schedule reflects net assets with donor restrictions for specified purposes or future periods at:

DECEMBER 31,	2023	2022
Amounts required to be maintained in perpetuity:		
The Marjorie McNeely Conservatory at Como Park endowment fund	\$ 5,966,414	\$ 5,966,414
E.M. Pearson endowment fund—general operations	1,330,727	1,330,727
Charlotte Partridge Ordway Japanese Garden endowment fund	640,019	640,019
<i>Total perpetual in nature</i>	\$ 7,937,160	\$ 7,937,160
Amounts restricted by purpose:		
Marjorie McNeely Conservatory Support	\$ 167,379	\$ 190,579
Animal care	252,062	36,440
Woodland park	59,242	-
Como staff development	31,057	35,287
Ordway grant	20,993	-
Education	9,712	9,712
Event planning	-	25,341
Other	10,141	17,170
<i>Total restricted by purpose</i>	550,586	314,529
Amounts restricted by purpose and time:		
The Marjorie McNeely Conservatory at Como Park endowment fund	1,619,545	1,337,791
Charlotte Partridge Ordway Japanese Garden endowment fund	433,062	398,594
<i>Total restricted by purpose and time</i>	2,052,607	1,736,385
<i>Total purpose restrictions</i>	\$ 2,603,193	\$ 2,050,914
DECEMBER 31,	2023	2022
Amounts time-restricted for future periods:		
General operating support	\$ 70,000	\$ 22,000
E.M. Pearson endowment fund—general operations	437,588	384,073
In-kind- facility rent	903,907	67,843
<i>Total time-restricted for future periods</i>	\$ 1,411,495	\$ 473,916
<i>Total net assets with donor restrictions</i>	\$ 11,951,848	\$ 10,461,990

The Organization had a long-term pledge agreement that provided for annual payments of \$200,000 adjusted annually for the change in CPI. The agreement required the Organization and the City to make an annual allocation of the payment received among current operating costs, specific project designations, endowment support, or a combination of those uses. The payments received were allocated for endowment support in the amount of \$619,380 for the year ended December 31, 2022. The pledge was fully collected in 2022.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 8. ENDOWMENT COMPOSITION AND CHANGES TO ENDOWMENT NET ASSETS

The Organization's endowment consists primarily of the four charitable funds with the Saint Paul & Minnesota Foundation (the Foundation) established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence and nature of donor-imposed restrictions.

Interpretation of Relevant Law—Endowment funds are regulated by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted by the State of Minnesota. The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as enacted by the State of Minnesota, as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, the Organization is to retain in perpetuity (a) the original value of initial and subsequent gift amounts including promises to give at fair value donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Return Objectives and Risk Parameters—The Organization is subject to the investment policy of the Foundation, as defined in the respective fund agreements for the charitable funds held by the Foundation for the Organization's benefit. The Foundation's investment objective is to earn a high risk-adjusted return that preserves the purchasing power of assets and seeks to maximize the amount available to meet the charitable needs of communities. The assets are to be managed in a manner that will attempt to produce a relatively predictable and stable stream of funds for charitable purposes.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, the Organization relies on the Foundation's total return strategy, in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 8. (CONTINUED)

Spending Policy and the Relationship of the Investment Objectives to the Spending Policy—The Organization’s spending policy mirrors the distribution policy of the Foundation. The Foundation’s policy appropriates for distribution each year an amount equal to 5.00% of the underlying assets, based upon a 21 quarter moving average of the market value of the assets, but not less than 4.25% of the fund’s current market value and not more than 5.50% of the fund’s current market value, less administrative fees. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow the endowment to grow at a rate that is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Historically, funds have been distributed from the Foundation in accordance with the Foundation’s spending policy. However, three of the four endowments with the Foundation allow for exceptions to that spending policy: The Helen and Ruth Peterson Fund of the Como Friends, the E.M. Pearson Foundation Fund of Como Friends, and the Charlotte Partridge Ordway Japanese Garden Endowment Fund. The Foundation has agreed that upon the request of the Como Friends Board of Directors all principal and accumulated earnings of these funds would be released to the Organization. Although any principal restricted in perpetuity in accordance with the donor’s wishes would have to remain in the endowment, the use of the accumulated earnings and board designated amounts would be at the Board’s discretion.

Endowment net assets consisted of the following at:

DECEMBER 31, 2023	Without Donor Restriction	With Donor Restrictions	Total
Marjorie McNeely Conservatory at Como Park endowment fund	\$ -	\$ 7,585,960	\$ 7,585,960
E.M. Pearson endowment fund	-	1,768,316	1,768,316
Charlotte Partridge Ordway Japanese Garden endowment fund	-	1,073,081	1,073,081
Helen and Ruth Peterson Fund of Como Friends	147,083	-	147,083
Totals	\$ 147,083	\$ 10,427,357	\$ 10,574,440

DECEMBER 31, 2022	Without Donor Restriction	With Donor Restrictions	Total
Marjorie McNeely Conservatory at Como Park endowment fund	\$ -	\$ 7,304,206	\$ 7,304,206
E.M. Pearson endowment fund	-	1,714,799	1,714,799
Charlotte Partridge Ordway Japanese Garden endowment fund	-	1,038,614	1,038,614
Helen and Ruth Peterson fund of Como Friends	142,631	-	142,631
Totals	\$ 142,631	\$ 10,057,619	\$ 10,200,250

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2023 and 2022, there were no donor-restricted endowment funds under water.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 8. (CONTINUED)

Changes in endowment net assets consisted of the following:

	Without Donor Restriction	With Donor Restrictions	Total
JANUARY 1, 2022	\$ 164,382	\$ 10,856,034	\$ 11,020,416
Investment return:			
Investment gain	(17,240)	(1,131,630)	(1,148,870)
Interest and dividends, net	1,799	107,743	109,542
Contributions and transfers	-	619,380	619,380
Appropriation of endowment assets for expenditure	(6,310)	(393,908)	(400,218)
DECEMBER 31, 2022	\$ 142,631	\$ 10,057,619	\$ 10,200,250
Investment return:			
Investment gain (loss)	8,618	609,673	618,291
Interest and dividends, net	2,263	152,313	154,576
Appropriation of endowment assets for expenditure	(6,429)	(392,248)	(398,677)
DECEMBER 31, 2023	\$ 147,083	\$ 10,427,357	\$ 10,574,440

NOTE 9. IN-KIND CONTRIBUTIONS

In-kind contributions are included in contributions on the statements of activities and changes in net assets. Contributed services, materials, and facilities consisted of the following:

YEARS ENDED DECEMBER 31,	2023	2022
Management and general:		
Office facilities	\$ -	\$ 85,337
Program:		
Gift shop facilities	927,158	30,000
Fund development:		
Materials	24,071	14,945
Promotion and event expenses	85,612	70,852
Totals	\$ 1,036,841	\$ 201,134

The Organization's office space, located on the Como Park Zoo and Conservatory Campus, is rented from the City for \$1 per year. This lease is effective through December 31, 2026. The lease is treated as a gift-in-kind that is utilized by the Organization. The total estimated lease value was \$50,565 and \$67,843 for the years ended December 31, 2023 and 2022, respectively.

In addition, under a separate lease agreement with the City, gift shop space is rented from the City for \$1 per year. This lease was extended through December 31, 2038. The lease is treated as a gift-in-kind that is utilized by the Organization. The estimated lease value is \$853,358 and \$30,000 for the years ended December 31, 2023 and 2022, respectively.

All other gifts-in-kind were monetized for purposes of gift shop sales or fundraising.

COMO FRIENDS

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN

The Organization has a 403(b) retirement plan for employees meeting certain eligibility requirements. Eligible employees can elect to make salary reduction contributions to the plan. The Organization matches employee contributions up to 5% of employee compensation. Organization contributions totaled \$57,142 and \$51,634 for the years ended December 31, 2023 and 2022, respectively

NOTE 11. CONCENTRATIONS

Contributions receivable

Approximately 87% of the balance of contributions receivable was due from one donor as of December 31, 2022. Approximately 93% of the balance of contributions receivable was due from one donor as of December 31, 2023.

The Organization's physical operations consist of office facilities and gift shop facilities. These facilities are in-kind contributions from the City and therefore considered a concentration.