

## **FRESNO COUNTY ZOO AUTHORITY**

### **AGENDA**

**9:00 AM, Wednesday, February 5, 2020**

**Fresno Chaffee Zoo  
Simba Room  
894 West Belmont Avenue  
Fresno, CA 93728  
(559) 498-5910**

1. Call to Order
2. Adopt Agenda
3. Nominations and election of officers for 2020
4. Public Comments  
This time is made available to receive comments from the public on matters within the Board's jurisdiction that are not on the Agenda. Attention is called to the fact that the Board is prohibited from taking any action on matters that are not on the Agenda. Members of the public are limited to three minutes to speak during Public Comments as well as for each item on the agenda. In order to accurately record the minutes, members of the public are asked to speak only from the podium. Before beginning comments, please state for the record your name and affiliation, if any.
5. Consent Agenda  
These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public will be given the opportunity to remove any item from the Consent Calendar. Items removed from the Consent Calendar may be heard immediately following approval of the Consent Calendar.
  - a. Review and approve minutes of December 18, 2019
  - b. Review and approve payment of County of Fresno invoice for Professional and Specialized Services in the amount of \$6,035.43 for services through January 2020
  - c. Receive Treasurer's Reports for December 2019

6. Receive Fresno Chaffee Zoo Director's report
7. Receive Fresno Chaffee Zoo Corporation FY 2019 November Board Financial Report
8. Approve Fresno's Chaffee Zoo Corporation fiscal year 2020 Measure Z Operating funds totaling \$5,263,687 for reimbursement of Animal Care and Veterinary Salaries and Benefits, Animal Feed, Exhibit Maintenance & Renovations, Water Quality Supplies, Utilities, and Bank Fees to wire reimbursement funds to the Zoo
9. Approve draft of Zoo Authority fiscal year 2018-19 Annual Report
10. Approve and authorize the Chairman to execute annual engagement letter on applying agreed-upon procedures from Moss Adams, the Zoo Corporation's outside auditor, for the Zoo Corporation's audit report
11. Receive staff reports
12. Approve next meeting date

Dates include:

Wednesday, March 25, 2020  
Wednesday, April 29, 2020  
Wednesday, May 27, 2020

13. Chair's comments
14. Board Member comments
15. Adjourn

All supporting documentation is available for public review in the office of the Fresno County Zoo Authority, 2281 Tulare Street, Room 304, Fresno, 93721, during regular business hours.

For further information, please contact Ronald Alexander, Zoo Authority Coordinator, at 600-1710, email [zooauthority@co.fresno.ca.us](mailto:zooauthority@co.fresno.ca.us), or visit [www.zooauthority.org](http://www.zooauthority.org). Requests for disability-related modification or accommodation needed in order to participate in the meeting must be made to the Zoo Authority Coordinator no later than 9:00 a.m. on the day prior to the meeting.



## **FRESNO COUNTY ZOO AUTHORITY**

### **ACTION SUMMARY MINUTES**

**9:00 AM, Wednesday, December 18, 2019**

**Fresno Chaffee Zoo  
Simba Room  
894 West Belmont Avenue  
Fresno, CA 93728  
(559) 498-5910**

1. Call to Order

**CHAIRMAN ROMAN CALLED THE MEETING TO ORDER AT 9:00 AM. A QUORUM WAS PRESENT, INCLUDING MEMBERS HERZOG, GARABEDIAN, STRATFORD, TOSTE, WATERHOUSE, AND ARIAS.**

2. Adopt Agenda

**MEMBER ARIAS MOVED TO ADOPT THE AGENDA. SECONDED BY MEMBER TOSTE, THE MOTION PASSED UNANIMOUSLY.**

3. Public Comments

This time is made available to receive comments from the public on matters within the Board's jurisdiction that are not on the Agenda. Attention is called to the fact that the Board is prohibited from taking any action on matters that are not on the Agenda. Members of the public are limited to three minutes to speak during Public Comments as well as for each item on the agenda. In order to accurately record the minutes, members of the public are asked to speak only from the podium. Before beginning comments, please state for the record your name and affiliation, if any.

**HELD; NONE RECEIVED.**

4. Consent Agenda

These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public will be given the opportunity to remove any item from the Consent Calendar. Items removed from the Consent Calendar may be heard immediately following approval of the Consent Calendar.

a. Review and approve minutes of July 31, 2019

b. Review and approve payment of County of Fresno invoice for Professional and Specialized Services in the amount of \$25,081.08 for services through November 2019

c. Receive Treasurer's Reports for June through November 2019

**MEMBER WATERHOUSE MOVED FOR APPROVAL OF THE CONSENT AGENDA ITEMS. SECONDED BY MEMBER ARIAS. THE MOTION PASSED UNANIMOUSLY.**

5. Receive Zoo Authority Year Ended June 30, 2019 financial statements with independent auditor's report from Brown Armstrong Accountancy Corporation  
**RECEIVED. AUDIT IS CLEAN WITH NO SIGNIFICANT FINDINGS.**

6. Receive Fresno Chaffee Zoo Director's report  
**RECEIVED. DIRECTOR SCOTT BARTON REPORTED. NEW CFO HIRED. JURASIC PARK WAS SUCCESSFUL. FINISHED SCIP AND WARTHOG PROJECTS. STARTING IN 2020 IS KINGDOMS OF ASIA, AMBASSADOR ANIMAL BUILDING, DESIGN OF PARKING/ENTRANCE AND AFRICAN RIVER PROJECT. INTRODUCED NEW PROJECT MANAGER. BARTON WELCOMED ALL TO VISIT HIM FOR ADDITIONAL INFORMATION ON PROJECTS. HE WILL ALSO PROVIDE MORE INFO DURING FUTURE MEETINGS.**

7. Receive Fresno Chaffee Zoo Corporation FY 2019 September Board Financial Report  
**RECEIVED. DIRECTOR SCOTT BARTON REPORTED. ATTENDANCE DOWN 30,000 ATTENDEES DUE TO TWO MONTHS OF RAINS. REVIEWED FINANCIALS.**

8. Receive Fresno Chaffee Zoo Corporation FY 2020 Finance Committee Presentation  
**RECEIVED. DIRECTOR SCOTT BARTON REPORTED BUDGET OVERVIEW. DISCUSSION ENSUED REGARDING AN INCREASE IN ADMISSION FEE.**

9. Approve and authorize the release of retention withheld on the South Corridor Infrastructure Project (SCIP)  
**MEMBER ARIAS MOVED FOR APPROVAL. SECONDED BY MEMBER GARABEDIAN. THE MOTION PASSED UNANIMOUSLY.**

10. Receive staff reports  
**NO FURTHER REPORTS RECEIVED.**

10.1 Adopt 2020 meeting calendar  
**MEMBER TOSTE MOVED FOR APPROVAL. SECONDED BY MEMBER ARIAS. THE MOTION PASSED UNANIMOUSLY.**

11. Approve next meeting date.

Dates include:

Wednesday, January 29, 2020  
Wednesday, February 26, 2020  
Wednesday, March 25, 2020

**MEMBER ARIAS MOVED TO CANCEL THE JANUARY 29<sup>TH</sup> MEETING WITH THE NEXT MEETING TO BE HELD FEBRUARY 5, 2020. THE MARCH 25, 2020 TO REMAIN AS SCHEDULED. SECONDED BY MEMBER GARABEDIAN. THE MOTION PASSED UNANIMOUSLY.**

12. Chair's comments  
**CHAIRMAN ROMAN WISHED EVERYONE HAPPY HOLIDAYS.**

13. Board Member comments  
**NO ADDITIONAL COMMENTS RECEIVED**

14. Adjourn  
**THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN ROMAN  
ADJOURNED THE MEETING AT 10:10 AM.**

All supporting documentation is available for public review in the office of the Fresno County Zoo Authority, 2281 Tulare Street, Room 304, Fresno, CA 93721, during regular business hours.

For further information, please contact Ron Alexander, Zoo Authority Coordinator, at 600-1710, email [zooauthority@co.fresno.ca.us](mailto:zooauthority@co.fresno.ca.us), or visit [www.zooauthority.org](http://www.zooauthority.org). Requests for disability-related modification or accommodation needed in order to participate in the meeting must be made to the Zoo Authority Coordinator no later than 9:00 a.m. on the day prior to the meeting.



Invoice for Professional Services in Support of the Zoo Authority  
Billing Hours and Expenses through January 2020

Invoice Number  
01-ZOO-020520

**February 5, 2020**

TO: Zoo Authority Board  
c/o County of Fresno  
2281 Tulare St. Room 304  
Fresno, CA 93721

| <b>Department / Title</b>                     | <b>Hours</b> | <b>Rates</b> | <b>Cost</b>       |
|---|--------------|--------------|-------------------|
| <i>Brown Armstrong Accountancy Corp Audit</i> |              |              | \$2,800.00        |
| <i>ACTTC Admin</i>                            |              |              |                   |
| <i>Account Clerk I</i>                        | 1.72         | \$48.46      | \$83.35           |
| <i>Supervising Account Clerk II</i>           | 4.50         | \$75.45      | \$339.53          |
| <i>ACTTC FR&amp;A</i>                         |              |              |                   |
| <i>Division Chief</i>                         | 5.50         | \$92.49      | \$508.70          |
| <i>Accounting &amp; Finance Manager</i>       | 2.00         | \$91.80      | \$183.60          |
| <i>Accountant I</i>                           | 1.00         | \$62.78      | \$62.78           |
| <i>Account Clerk I</i>                        | 31.38        | \$48.46      | \$1,520.67        |
| <i>County Counsel</i>                         |              |              |                   |
| <i>Deputy County Counsel</i>                  | 4.40         | \$122.00     | \$536.80          |
| <b>Professional Services Total</b>            | <b>50.50</b> |              | <b>\$6,035.43</b> |
| <b>Office Expense Total</b>                   |              |              | <b>\$0.00</b>     |
| <b>Invoice Total</b>                          |              |              | <b>\$6,035.43</b> |

# Brown Armstrong Accountancy Corporation

4200 Truxtun Avenue  
Suite 300  
Bakersfield, CA 93309  
661-324-4971

COUNTY OF FRESNO - THE ZOO AUTHORITY  
2281 TULARE STREET, ROOM 105  
FRESNO, CA 93721

Invoice No. 252018

Date December 29, 2019

Client No. 29029.010

Final on 2019 audit:

(Contract amount/Billed to date: \$2,800/\$2,800)

|                        |    |                 |
|------------------------|----|-----------------|
| Current Invoice Amount | \$ | 1,200.00        |
| Beginning Balance      |    | <u>1,600.00</u> |
| Balance Due            | \$ | <u>2,800.00</u> |

| 0 - 30   | 31 - 60 | 61 - 90 | 91 - 120 | Over 120 | Balance  |
|----------|---------|---------|----------|----------|----------|
| 1,200.00 | 0.00    | 0.00    | 1,600.00 | 0.00     | 2,800.00 |

Please remit by: January 25, 2020  
Credit Card Payments Accepted  
(3% Convenience Fee will Apply)  
Make checks payable to: **Brown Armstrong**  
E-mail billing inquiries to: [cwhite@bacpas.com](mailto:cwhite@bacpas.com)



# Invoice

| Invoice Date | Invoice Number | Due Date |
|--------------|----------------|----------|
| 1/6/2020     | 1992           | 2/6/2020 |

| FOR COUNTY USE ONLY |          |         |         |         |
|---------------------|----------|---------|---------|---------|
| FUND                | SUBCLASS | ACCOUNT | ORG     | PROGRAM |
| 0001                | 10000    | 4885    | Various | 0       |

**MAKE YOUR REMITTANCE PAYABLE TO:**

FRESNO COUNTY TREASURER

**AND SEND IT TO FOLLOWING ADDRESS:**

OSCAR J. GARCIA, CPA  
 AUDITOR-CONTROLLER/TREASURER TAX  
 COLLECTOR - ADMINISTRATION DIVISION  
  
 PO BOX 1247  
 FRESNO CA 93715-1247

**BILL TO:**  
 Email to:  
[ronalexander@fresnocountyca.gov](mailto:ronalexander@fresnocountyca.gov)

PLEASE INCLUDE THE INVOICE NUMBER ON YOUR CHECK OR MONEY ORDER

| DESCRIPTION   | AMOUNT           |
|---|------------------|
| ACTTC GA (04100200)                                       |                  |
| GA Accounting Services for pay period ending 12/1/2019    | \$ 31.39         |
| GA Accounting Services for pay period ending 12/15/2019   | -                |
| ACTTC FR&A (04100300)                                     |                  |
| FR&A Accounting Services for pay period ending 12/1/2019  | \$ 137.03        |
| FR&A Accounting Services for pay period ending 12/15/2019 | \$ 767.13        |
| <b>CURRENT AMOUNT DUE</b>                                 | <b>\$ 31.39</b>  |
| <b>Total Balance Due</b>                                  | <b>\$ 935.55</b> |

OB 12-31-19







# Agenda Item 5.c



## Fresno County Zoo Authority Treasurer's Report Unaudited Cash Basis For the Quarter Ended December 31, 2019

| Summary of Measure Z Proceeds                       |  |   |                         |
|---|--|---|-------------------------|
| Tax Proceeds Received:                              |  |   |                         |
| -   | Measure Z - Sales Tax Proceeds                                     | \$  | 3,838,481.96            |
|   |  | Total Proceeds Received:  | \$ 3,838,481.96         |
| Tax Proceeds Allocated:                             |  |   |                         |
| -   | Allocation to Zoo Authority Fund (2%)                              |   | 76,769.64               |
| -   | Allocation to Trust Fund for Operations and Capital Projects (98%) |   | 3,761,712.32            |
|   |  | Total Proceed Allocations   | \$ 3,838,481.96         |
| Cash Balance by Fund                                |  |   |                         |
| <b>Zoo Authority Fund</b>                           |  |   |                         |
|   |  | >> <b>Administrative Fund</b>                                       | 2%                      |
|   |  | Beginning Cash Balance  | \$ 1,803,430.04         |
| Receipts:   | - Measure Z Sales Tax Proceeds                                     |   | 76,769.64               |
|   | - Interest Received  |   | 9,764.22                |
| Disbursements:                                      | - PeopleSoft Financial Charges                                     |   | (132.64)                |
|   | - ZA Staff Invoice #04050607-ZOO-121819                            |   | (25,081.08)             |
|   |  | Net Increase/(Decrease) to Cash                                     | 61,320.14               |
|   |  | <b>Ending Cash Balance - Zoo Authority Administrative Fund</b>      | <b>\$ 1,864,750.18</b>  |
| Trust Fund for FCZC Operations and Capital Projects |  |   |                         |
|   |  | Beginning Cash Balance  | \$ 45,022,635.68        |
|   |  | >>> <b>Operations Fund</b>  |                         |
|   |  | Beginning Cash Balance  | 7,256,754.49            |
| Receipts:   | - Measure Z Sales Tax Proceeds                                     |   | 1,253,904.11            |
|   | - Interest Received  |   | 41,442.30               |
| Disbursements:                                      | - FCZC Operations Claim #2019-08                                   |   | (565,241.35)            |
|   | - FCZC Operations Claim #2019-09                                   |   | (448,566.18)            |
|   | - FCZC Operations Claim #2019-10                                   |   | (400,387.35)            |
|   | - Wire Fees  |   | (50.00)                 |
|   |  | Net Increase/(Decrease) to Cash                                     | (118,898.47)            |
|   |  | <b>Ending Cash Balance - Available for Operations</b>               | <b>\$ 7,137,856.02</b>  |
|   |  | >>> <b>Capital Facilities Project Fund</b>                          |                         |
|   |  | Beginning Cash Balance  | \$ 37,765,881.19        |
| Receipts:   | - Measure Z Sales Tax Proceeds                                     |   | 2,507,808.21            |
|   | - Interest Received  |   | 201,469.72              |
| Disbursements:                                      | - FCZC Capital Claim 2019-8C                                       |   | (250,438.32)            |
|   | - FCZC Capital Claim 2019-09C                                      |   | (9,671.90)              |
|   |  | Net Increase/(Decrease) to Cash                                     | 2,449,167.71            |
|   |  | <b>Ending Cash Balance - Available for Capital Projects</b>         | <b>40,215,048.90</b>    |
|   |  | <b>Ending Balance Available for Operations and Capital Projects</b> | <b>\$ 47,352,904.92</b> |
|   |  | <i>Total Interest Received During the Quarter</i>                   | <b>252,676.24</b>       |

By Staff \_\_\_\_\_

Date \_\_\_\_\_

Accepted \_\_\_\_\_

Date \_\_\_\_\_

\* Interest receipts are recorded in the month received rather than in the month earned and were calculated on an annual percentage of 2.207 as of September 30, 2019.



**Fresno County Zoo Authority  
Treasurer's Report  
Unaudited Cash Basis  
For the Month Ended December 31, 2019**

| Summary of Measure Z Proceeds                       |   |           |                      |
|---|---|-----------|----------------------|
| Tax Proceeds Received:                              |   |           |                      |
| -   | Measure Z - Sales Tax Proceeds                                      | \$        | 1,194,027.29         |
|   | Total Proceeds Received:  | \$        | 1,194,027.29         |
| Tax Proceeds Allocated:                             |   |           |                      |
| -   | Allocation to Zoo Authority Fund (2%)                               | \$        | 23,880.55            |
| -   | Allocation to Trust Fund for Operations and Capital Projects (98%)  |           | 1,170,146.74         |
|   | Total Proceed Allocations   | \$        | 1,194,027.29         |
| Cash Balance by Fund                                |   |           |                      |
| <b>Zoo Authority Fund</b>                           |   |           |                      |
|   | >> <b>Administrative Fund</b>                                       | 2%        |                      |
|   | Beginning Cash Balance  | \$        | 1,856,977.31         |
| Receipts:   | - Measure Z Sales Tax Proceeds                                      |           | 23,880.55            |
|   | - Interest Received   |           | 9,015.09             |
| Disbursements:                                      | - ZA Staff Invoice #04050607-ZOO-121819                             |           | (25,081.08)          |
|   | - PeopleSoft Financials Charge                                      |           | (41.69)              |
|   | Net Increase/(Decrease) to Cash                                     |           | 7,772.87             |
|   | <b>Ending Cash Balance - Zoo Authority Administrative Fund</b>      | <b>\$</b> | <b>1,864,750.18</b>  |
| Trust Fund for FCZC Operations and Capital Projects |   |           |                      |
|   |   | 98%       |                      |
|   | Beginning Cash Balance  | \$        | 46,358,880.16        |
|   | >>> <b>Operations Fund</b>  |           |                      |
|   | Beginning Cash Balance  |           | 7,109,941.69         |
| Receipts:   | - Measure Z Sales Tax Proceeds                                      |           | 390,048.91           |
|   | - Interest Received   |           | 38,262.77            |
| Disbursements:                                      | - FCZC Operations Claim #2019-10                                    |           | (400,387.35)         |
|   | - Wire Fees   |           | (10.00)              |
|   | Net Increase/(Decrease) to Cash                                     |           | 27,914.33            |
|   | <b>Ending Cash Balance - Available for Operations</b>               | <b>\$</b> | <b>7,137,856.02</b>  |
|   | >>> <b>Capital Facilities Project Fund</b>                          |           |                      |
|   | Beginning Cash Balance  | \$        | 39,248,938.47        |
| Receipts:   | - Measure Z Sales Tax Proceeds                                      |           | 780,097.83           |
|   | - Interest Received   |           | 186,012.60           |
|   | Net Increase/(Decrease) to Cash                                     |           | 966,110.43           |
|   | <b>Ending Cash Balance - Available for Capital Projects</b>         |           | <b>40,215,048.90</b> |
|   | <b>Ending Balance Available for Operations and Capital Projects</b> | <b>\$</b> | <b>47,352,904.92</b> |
|   | <i>Total Interest Received During the Month</i>                     |           | <b>233,290.46</b>    |

By Staff \_\_\_\_\_

Date \_\_\_\_\_

Accepted \_\_\_\_\_

Date \_\_\_\_\_

\* Interest receipts are recorded in the month received rather than in the month earned and were calculated on an annual percentage rate of 2.207 as of September 30, 2019.



## Fresno County Zoo Authority

### SUMMARY OF MEASURE Z SALES TAX PROCEEDS

|              | PRIOR FISCAL YEARS     |                        |                        |                          | CURRENT FISCAL YEAR    |                              |               |
|--------------|------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------------|---------------|
|              | 2016-2017              | 2017-2018              | 2018-2019              | 2019-20                  |                        |                              |               |
|              | ACTUAL<br>TAX RECEIPTS | ACTUAL<br>TAX RECEIPTS | ACTUAL<br>TAX RECEIPTS | BUDGETED<br>TAX RECEIPTS | ACTUAL<br>TAX RECEIPTS | BUDGET TO ACTUAL<br>VARIANCE |               |
| July         | \$ 952,000             | \$ 930,800             | \$ 1,227,435           | \$ 1,264,258             | \$ 1,436,673           | \$ 172,415                   | 13.64%        |
| August       | 1,269,300              | 1,241,000              | 928,052                | 900,210                  | 1,123,640              | 223,430                      | 24.82%        |
| September    | 1,181,071              | 1,391,154              | 1,171,132              | 1,159,421                | 1,367,439              | 208,018                      | 17.94%        |
| October      | 941,400                | 933,300                | 1,619,199              | 1,667,775                | 1,571,111              | (96,664)                     | -5.80%        |
| November     | 1,255,200              | 1,244,400              | 1,531,072              | 1,577,004                | 1,073,344              | (503,660)                    | -31.94%       |
| December     | 1,188,304              | 1,452,570              | 1,392,262              | 1,378,339                | 1,194,027              | (184,312)                    | -13.37%       |
| January      | 955,400                | 951,900                | 1,345,542              | 1,385,908                |                        |                              |               |
| February     | 1,273,900              | 1,269,200              | 1,118,789              | 1,107,601                |                        |                              |               |
| March        | 1,114,146              | 1,420,604              | 1,327,543              | 1,314,268                |                        |                              |               |
| April        | 855,500                | 865,400                | 1,318,821              | 1,358,386                |                        |                              |               |
| May          | 1,140,700              | 1,512,737              | 868,850                | 1,542,538                |                        |                              |               |
| June         | 1,220,710              | 1,103,925              | 1,263,124              | 1,103,815                |                        |                              |               |
| <b>Total</b> | <b>\$ 13,347,631</b>   | <b>\$ 14,316,990</b>   | <b>\$ 15,111,821</b>   | <b>\$ 15,759,523</b>     | <b>\$ 7,766,234</b>    | <b>\$ (180,773)</b>          | <b>-1.15%</b> |

**TOTAL MEASURE Z PROCEEDS FROM INCEPTION    \$ 176,202,365**



**Fresno County Zoo Authority**  
**Treasurer's Report**  
**Unaudited Cash Basis**  
**For the Month Ended December, 2019**

| Summary of Quarter Four Interest Receipts |          |                   |                       |                       |                      |
|---|----------|-------------------|-----------------------|-----------------------|----------------------|
| Fund                                      | Subclass | Description       | 1st Alloc.<br>October | 2nd Alloc<br>December | Interest<br>Received |
| 4845                                      | 10000    | Zoo Authority     | 749.13                | 9,015.09              | \$ 9,764.22          |
| 4850                                      | 10000    | FCZC - Operations | 3,179.53              | 38,262.77             | \$ 41,442.30         |
| 4850                                      | 42700    | FCZC - CP         | 15,457.12             | 186,012.60            | \$ 201,469.72        |
| <b>Total</b>                              |          |                   | <b>\$ 19,385.78</b>   | <b>\$ 233,290.46</b>  | <b>\$ 252,676.24</b> |
| <b>October to December</b>                |          |                   |                       |                       |                      |



**Fresno County Zoo Authority  
Capital Projects Fund Cash Flow  
For the Month Ended December 2019**

**Cash Balance as of 12/31/2019** \$ 40,215,049

**DEDUCTIONS (earmarked projects, FY19-20 expenditures paid through claim 2019-09C):**

|   |           |
|---|-----------|
| 2018 <b>Warthog Exhibit</b> - May 2018                    | 190,251   |
| 2018 <b>South Corridor Infrastructure</b> - February 2018 | 317,613   |
| 2018 <b>Asian Exhibits</b> - December 2017                | 2,121,877 |
| 2018 <b>Belmont Basin Relief Line</b> - August 2017       | 162,564   |
| 2018 <b>Animal Nutrition Center</b> - August 2017         | 467,473   |
| 2018 <b>Prgm Animal Holding Facility</b> - August 2017    | 79,241    |
| 2017 <b>Orangutan Exhibit</b> - May 2017                  | 27,619    |
| 2017 <b>Water Play Area</b> - January 2017                | 92,261    |
| 2016 <b>African River</b> - June 2016                     | 3,552,766 |
| 2016 <b>Dino Dig Expansion</b> - June 2016                | 154,218   |

**Total Deductions:**

\$ (7,165,883)

**TOTAL:**

\$ 33,049,166



**Fresno County Zoo Authority  
Operations Fund Cash Flow  
For the Month Ended December 2019**

**Cash Balance as of 12/31/2019** \$ 7,137,856

**DEDUCTIONS (Remaining budgets, paid through claim 2019-10):**

|  |         |
|--|---------|
| 2019 Animal                            | 484,069 |
| 2019 Veterinary                        | 90,018  |
| 2019 Utilities                         | 13,702  |
| 2019 Animal Feed                       | 148,707 |
| 2019 Interest/Bank Charges             | (70)    |
| 2019 Exhibit Maintenance & Renovations | 60,979  |
| 2019 Water Quality Supplies            | 22,739  |

**Total Deductions:** \$ (820,144)

**TOTAL:** \$ 6,317,712





**Fresno County Zoo Authority  
Administration Fund Cash Flow  
For the Month Ended December 2019**

**Cash Balance as of 12/31/2019** \$ 1,864,750

**DEDUCTIONS**

**(FY 19-20 Remaining budgets, paid through claim 04050607-ZOO-121819):**

|                                    |         |
|------------------------------------|---------|
| 2019 Telephone Charges             | 250     |
| 2019 Memberships                   | 500     |
| 2019 Office Expense                | 6,000   |
| 2019 Postage                       | 1,000   |
| 2019 PeopleSoft Financials Charges | 514     |
| 2019 Professional Services         | 108,750 |
| 2019 Data Processing Services      | 1,500   |
| 2019 Publications & Legal Notices  | 500     |
| 2019 Trans, Travel & Education     | 2,500   |

**Total Deductions:**

\$ (121,514)

**TOTAL:**

\$ 1,743,236



FY 2019 November Board Financial  
Report

# Summary of Financial Results

## YTD as of November 30, 2019

### Revenue

- Self-generated revenue of \$10,055,894 was \$842,278 (8%) below budget and \$684,039 (7%) higher than November 2018 YTD.
  - Attendance of 768,475 was 6% under the budgeted attendance of 814,000 and 8,498 more than 2018 YTD attendance of 759,977.
  - Admissions revenue of \$4.6 million was 10% under budget primarily due to weather conditions in earlier months (particularly February).
  - Membership revenue of \$1.5 million was 5% over budget.
  - Food Services revenue of \$722k was 11% over budget despite lower-than-budgeted attendance.
- Measure Z Operating revenue was \$4,695,489, with \$394,241 in Measure Z Operating funds remaining for 2019.

### Expenses

- Operating expenses of \$14,628,860 were \$283,709 (5%) below budget.
- Personnel expenses of \$8,736,450 were in line with the budget.
  - Administration and Maintenance/Horticulture were below budget due to open positions.
  - Education was above budget due to underbudgeting for part-time camp staff.
  - Operations was above budget due to a severance package.
- Utilities expenses of \$847k were 12% over budget – water/sewer related.

## November 2019

| MTD Attendance      |           |           |                       | YTD Attendance      |             |             |                       | 2018<br>Unaudited |
|---------------------|-----------|-----------|-----------------------|---------------------|-------------|-------------|-----------------------|-------------------|
|                     | 2019      | 2018      | Increase/<br>Decrease |                     | 2019        | 2018        | Increase/<br>Decrease |                   |
| Attendance          | 58,889    | 54,574    | 8%                    | Attendance          | 768,475     | 759,977     | 1%                    | 828,425           |
| Paid                | 27,491    | 21,864    | 26%                   | Paid                | 367,238     | 360,862     | 2%                    | 376,844           |
| Members             | 19,825    | 16,984    | 17%                   | Members             | 233,425     | 217,307     | 7%                    | 228,949           |
| Group               | 6,419     | 7,019     | -9%                   | Group               | 95,498      | 98,900      | -3%                   | 100,515           |
| Other               | 5,154     | 8,707     | -41%                  | Other               | 72,314      | 82,908      | -13%                  | 122,117           |
| Giraffe Feeding     | 16,608    | 12,982    | 28%                   | Giraffe Feeding     | 207,820     | 176,814     | 18%                   | 181,090           |
| Capture Rate        | 28%       | 24%       | 19%                   | Capture Rate        | 27%         | 23%         | 16%                   | 22%               |
| Stingray Bay        | 17,290    | 11,691    | 48%                   | Stingray Bay        | 228,966     | 215,081     | 6%                    | 221,055           |
| Capture Rate        | 29%       | 21%       | 37%                   | Capture Rate        | 30%         | 28%         | 5%                    | 27%               |
| Zoorassic Park      | 14,590    | n/a       | 0%                    | Zoorassic Park      | 161,027     | n/a         | 0%                    | n/a               |
| Capture Rate        | 47%       | n/a       | 0%                    | Capture Rate        | 45%         | n/a         | 0%                    | n/a               |
| MTD Revenue         |           |           |                       | YTD Revenue         |             |             |                       |                   |
|                     | 2019      | 2018      | Increase/<br>Decrease |                     | 2019        | 2018        | Increase/<br>Decrease |                   |
| Admissions          | \$298,062 | \$246,138 | 21%                   | Admissions          | \$4,115,133 | \$4,063,834 | 1%                    | \$4,229,990       |
| Per Cap             | \$5.06    | \$4.51    | 12%                   | Per Cap             | \$5.35      | \$5.35      | 0%                    | \$5.11            |
| Giraffe Feeding     | \$43,523  | \$36,003  | 21%                   | Giraffe Feeding     | \$555,218   | \$497,267   | 12%                   | \$517,267         |
| Per Cap             | \$0.74    | \$0.66    | 12%                   | Per Cap             | \$0.72      | \$0.65      | 10%                   | \$0.62            |
| Stingray Bay        | \$18,909  | \$13,825  | 37%                   | Stingray Bay        | \$264,800   | \$260,879   | 2%                    | \$267,781         |
| Per Cap             | \$0.32    | \$0.25    | 27%                   | Per Cap             | \$0.34      | \$0.34      | 0%                    | \$0.32            |
| Zoorassic Park      | \$51,062  | n/a       | 0%                    | Zoorassic Park      | \$645,845   | n/a         | 0%                    | n/a               |
| Per Cap             | \$1.63    | n/a       | 0%                    | Per Cap             | \$1.82      | n/a         | 0%                    | n/a               |
| Membership          | \$106,752 | \$90,800  | 18%                   | Membership          | \$1,547,651 | \$1,372,021 | 13%                   | \$1,519,005       |
|                     | 2019      | 2018      | Increase/<br>Decrease |                     | 2019        | 2018        | Increase/<br>Decrease |                   |
| Contracted Services |           |           |                       | Contracted Services |             |             |                       |                   |
| Concessions         | \$45,422  | \$36,604  | 24%                   | Concessions         | \$722,277   | \$637,782   | 13%                   | \$681,024         |
| Per Cap             | \$0.77    | \$0.67    | 15%                   | Per Cap             | \$0.94      | \$0.84      | 12%                   | \$0.82            |
| Gift Shop           | \$29,300  | \$27,215  | 8%                    | Gift Shop           | \$425,602   | \$438,318   | -3%                   | \$464,914         |
| Per Cap             | \$0.50    | \$0.50    | 0%                    | Per Cap             | \$0.55      | \$0.58      | -4%                   | \$0.56            |

**Key:**

|                           |  |
|---------------------------|--|
| Equal to or ahead of 2018 |  |
| 2% or less behind 2018    |  |
| More than 2% behind 2018  |  |

**Fresno's Chaffee Zoo Corporation**

**Balance Sheet**

November 30, 2019

|   | <b>November<br/>2019</b> | <b>November<br/>2018</b> |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>                                       |                          |                          |
| <b>Current Assets</b>                               |                          |                          |
| Cash  | \$136,735                | (\$357,586)              |
| Short Term Investments-Retention                    | \$318,845                | \$148,315                |
| Accounts Receivable                                 | \$1,084,161              | \$1,806,376              |
| Prepaid Expenses                                    | \$213,033                | \$112,083                |
| Deferred Maintenance                                | \$182,717                | \$155,384                |
| <b>Total Current Assets</b>                         | <b>\$1,935,490</b>       | <b>\$1,864,573</b>       |
| <b>Other Assets</b>                                 |                          |                          |
| Long Term Investments                               | \$12,000,298             | \$10,814,509             |
| Buildings, Equipment, Vehicles, and Furniture (net) | \$3,741,920              | \$2,859,382              |
| Exhibits  | \$61,194,698             | \$61,568,967             |
| Construction in Progress                            | \$9,250,292              | \$8,796,928              |
| Goodwill  | \$115,366                | \$0                      |
| <b>Total Other Assets</b>                           | <b>\$86,302,574</b>      | <b>\$84,039,786</b>      |
| <b>TOTAL ASSETS</b>                                 | <b>\$88,238,064</b>      | <b>\$85,904,359</b>      |
| <b>LIABILITIES AND NET ASSETS</b>                   |                          |                          |
| <b>Liabilities</b>                                  |                          |                          |
| Accounts Payable and Accrued Liabilities            | \$2,196,801              | \$1,750,745              |
| Line of Credit                                      | \$85,488                 | \$0                      |
| Retention Payable                                   | \$62,523                 | \$322,391                |
| <b>Total Liabilities</b>                            | <b>\$2,344,812</b>       | <b>\$2,073,136</b>       |
| <b>Net Assets</b>                                   |                          |                          |
| Fund Balance-Unrestricted                           | \$84,666,870             | \$82,124,630             |
| Fund Balance-Temporarily Restricted                 | \$1,157,928              | \$1,647,473              |
| Fund Balance-Permanently Restricted                 | \$68,455                 | \$59,120                 |
| <b>Total Net Assets</b>                             | <b>\$85,893,252</b>      | <b>\$83,831,223</b>      |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>             | <b>\$88,238,064</b>      | <b>\$85,904,359</b>      |

**Fresno's Chaffee Zoo Corporation**

**Income Statement**

For the Eleven Months Ended November 30, 2019

|   | <b>FY19<br/>Budget</b> | <b>YTD Actual<br/>@ 11/30/19</b> | <b>YTD Budget<br/>@ 11/30/19</b> | <b>Budget<br/>Variance</b> | <b>Variance</b> |
|---|------------------------|----------------------------------|----------------------------------|----------------------------|-----------------|
| <b>REVENUE</b>                          |                        |                                  |                                  |                            |                 |
| Self Generated Income                   |                        |                                  |                                  |                            |                 |
| Admissions                              | \$4,967,551            | \$4,115,133                      | \$4,582,117                      | (\$466,984)                | (10.2)%         |
| Adopt an Animal                         | \$21,000               | \$21,980                         | \$15,998                         | \$5,982                    | 37.4 %          |
| Behind the Scenes                       | \$118,725              | \$72,130                         | \$113,950                        | (\$41,821)                 | (36.7)%         |
| Education                               | \$416,050              | \$383,748                        | \$398,808                        | (\$15,060)                 | (3.8)%          |
| Food Services                           | \$708,050              | \$722,277                        | \$649,400                        | \$72,877                   | 11.2 %          |
| Gift Shop                               | \$466,480              | \$425,602                        | \$427,840                        | (\$2,238)                  | (0.5)%          |
| Giraffe Feeding                         | \$582,000              | \$555,218                        | \$547,198                        | \$8,020                    | 1.5 %           |
| Grants and Fundraising                  | \$453,000              | \$169,580                        | \$394,417                        | (\$224,837)                | (57.0)%         |
| Group Event/Facility Rental             | \$573,000              | \$521,250                        | \$543,000                        | (\$21,750)                 | (4.0)%          |
| Membership                              | \$1,616,351            | \$1,547,651                      | \$1,476,897                      | \$70,754                   | 4.8 %           |
| Special Events                          | \$763,613              | \$514,802                        | \$537,855                        | (\$23,053)                 | (4.3)%          |
| Stingray Exhibit                        | \$295,500              | \$264,800                        | \$279,000                        | (\$14,200)                 | (5.1)%          |
| Other Income                            | \$78,209               | \$95,877                         | \$72,692                         | \$23,185                   | 31.9 %          |
| Dinosaur Exhibit Revenue                | \$961,500              | \$645,845                        | \$859,000                        | (\$213,155)                | (24.8)%         |
| <b>Total Self-Generated Revenue</b>     | <b>\$12,021,029</b>    | <b>\$10,055,894</b>              | <b>\$10,898,172</b>              | <b>(\$842,278)</b>         | <b>(7.7)%</b>   |
| <b>EXPENSES</b>                         |                        |                                  |                                  |                            |                 |
| Personnel Expenses                      |                        |                                  |                                  |                            |                 |
| Administration                          | \$894,833              | \$737,579                        | \$825,262                        | \$87,682                   | (10.6)%         |
| Animal                                  | \$3,421,151            | \$3,199,914                      | \$3,154,751                      | (\$45,163)                 | 1.4 %           |
| Bird Show                               | \$278,595              | \$242,384                        | \$255,040                        | \$12,656                   | (5.0)%          |
| Behind the Scenes                       | \$84,216               | \$70,763                         | \$76,922                         | \$6,159                    | (8.0)%          |
| Education                               | \$953,213              | \$1,054,602                      | \$868,507                        | (\$186,096)                | 21.4 %          |
| Human Resources                         | \$229,990              | \$226,118                        | \$212,090                        | (\$14,028)                 | 6.6 %           |
| Information Technology                  | \$87,255               | \$90,512                         | \$80,494                         | (\$10,017)                 | 12.4 %          |
| Maintenance/Horticulture                | \$1,187,576            | \$847,502                        | \$1,094,864                      | \$247,361                  | (22.6)%         |
| Marketing/Membership/Development/Events | \$908,766              | \$852,647                        | \$837,017                        | (\$15,631)                 | 1.9 %           |
| Operations                              | \$110,711              | \$152,627                        | \$102,092                        | (\$50,536)                 | 49.5 %          |
| Veterinary                              | \$416,075              | \$388,235                        | \$381,065                        | (\$7,171)                  | 1.9 %           |
| Visitor Services                        | \$982,023              | \$873,657                        | \$905,798                        | \$32,141                   | (3.5)%          |
| <b>Total Personnel Expenses</b>         | <b>\$9,554,403</b>     | <b>\$8,736,540</b>               | <b>\$8,793,899</b>               | <b>\$57,360</b>            | <b>(0.7)%</b>   |

## Fresno's Chaffee Zoo Corporation

### Income Statement

For the Eleven Months Ended November 30, 2019

|                                 | <b>FY19<br/>Budget</b> | <b>YTD Actual<br/>@ 11/30/19</b> | <b>YTD Budget<br/>@ 11/30/19</b> | <b>Budget<br/>Variance</b> | <b>Variance</b> |
|---------------------------------|------------------------|----------------------------------|----------------------------------|----------------------------|-----------------|
| Other Expenses                  |                        |                                  |                                  |                            |                 |
| Advertising                     | \$386,720              | \$258,629                        | \$289,871                        | \$31,242                   | (10.8)%         |
| Animal Services                 | \$487,000              | \$443,742                        | \$435,563                        | (\$8,178)                  | 1.9 %           |
| Bank and Credit Card Fees       | \$226,448              | \$188,217                        | \$207,893                        | \$19,677                   | (9.5)%          |
| Bird Show Expense               | \$64,510               | \$9,207                          | \$58,221                         | \$49,015                   | (84.2)%         |
| Behind the Scenes Expense       | \$10,975               | \$2,559                          | \$10,775                         | \$8,216                    | (76.3)%         |
| Community Support               | \$0                    | \$0                              | \$0                              | \$0                        | 0.0 %           |
| Conservation                    | \$250,000              | \$73,667                         | \$250,000                        | \$176,333                  | (70.5)%         |
| Contracted Services             | \$356,994              | \$424,351                        | \$327,831                        | (\$96,520)                 | 29.4 %          |
| Depreciation                    | \$540,000              | \$495,000                        | \$495,000                        | \$0                        | 0.0 %           |
| Dinosaur Exhibit Expense        | \$825,000              | \$754,503                        | \$825,000                        | \$70,497                   | (8.5)%          |
| Dues and Subscriptions          | \$58,990               | \$45,835                         | \$54,430                         | \$8,595                    | (15.8)%         |
| Equipment Expense               | \$192,259              | \$238,355                        | \$176,854                        | (\$61,502)                 | 34.8 %          |
| Event Expense                   | \$624,234              | \$520,358                        | \$509,596                        | (\$10,762)                 | 2.1 %           |
| Fleet Expense                   | \$23,246               | \$23,762                         | \$22,063                         | (\$1,699)                  | 7.7 %           |
| Food and Catering               | \$52,915               | \$17,298                         | \$38,162                         | \$20,864                   | (54.7)%         |
| Insurance                       | \$198,000              | \$178,279                        | \$193,000                        | \$14,722                   | (7.6)%          |
| Interest Expense                | \$14,000               | \$27,815                         | \$12,000                         | (\$15,815)                 | 131.8 %         |
| IT                              | \$87,543               | \$85,204                         | \$82,149                         | (\$3,055)                  | 3.7 %           |
| Mileage, Tolls, and Parking     | \$2,820                | \$1,275                          | \$2,598                          | \$1,323                    | (50.9)%         |
| Miscellaneous Business Expenses | \$15,100               | \$8,850                          | \$14,050                         | \$5,200                    | (37.0)%         |
| Office Supplies                 | \$19,430               | \$14,296                         | \$18,030                         | \$3,734                    | (20.7)%         |
| Postage                         | \$57,665               | \$35,302                         | \$53,697                         | \$18,395                   | (34.3)%         |
| Printing                        | \$230,005              | \$95,649                         | \$225,930                        | \$130,281                  | (57.7)%         |
| Professional Services           | \$163,900              | \$245,105                        | \$153,583                        | (\$91,522)                 | 59.6 %          |
| Recognition                     | \$3,660                | \$8,114                          | \$3,505                          | (\$4,609)                  | 131.5 %         |
| Recruiting                      | \$36,755               | \$13,791                         | \$34,025                         | \$20,234                   | (59.5)%         |
| Repairs and Replacements        | \$343,780              | \$285,343                        | \$326,055                        | \$40,712                   | (12.5)%         |
| Signage                         | \$12,000               | \$26,480                         | \$11,000                         | (\$15,480)                 | 140.7 %         |
| Specialized Services            | \$37,010               | \$17,146                         | \$36,561                         | \$19,415                   | (53.1)%         |

## Fresno's Chaffee Zoo Corporation

### Income Statement

For the Eleven Months Ended November 30, 2019

|  | <b>FY19<br/>Budget</b> | <b>YTD Actual<br/>@ 11/30/19</b> | <b>YTD Budget<br/>@ 11/30/19</b> | <b>Budget<br/>Variance</b> | <b>Variance</b>   |
|--|------------------------|----------------------------------|----------------------------------|----------------------------|-------------------|
| Staff Development                              | \$84,245               | \$68,028                         | \$86,035                         | \$18,007                   | (20.9)%           |
| Supplies                                       | \$423,500              | \$359,303                        | \$394,375                        | \$35,072                   | (8.9)%            |
| Taxes  | \$0                    | \$2,533                          | \$0                              | (\$2,533)                  | 0.0 %             |
| Telephone                                      | \$46,274               | \$42,523                         | \$42,427                         | (\$96)                     | 0.2 %             |
| Uniforms                                       | \$43,150               | \$28,380                         | \$29,750                         | \$1,370                    | (4.6)%            |
| Utilities                                      | \$816,500              | \$847,288                        | \$756,000                        | (\$91,288)                 | 12.1 %            |
| Other Expense                                  | \$0                    | \$6,137                          | \$0                              | (\$6,137)                  | 0.0 %             |
| <b>Total Other Expenses</b>                    | <b>\$6,734,628</b>     | <b>\$5,892,320</b>               | <b>\$6,176,029</b>               | <b>\$283,709</b>           | <b>(4.6)%</b>     |
| <b>Total Expenses</b>                          | <b>\$16,289,032</b>    | <b>\$14,628,860</b>              | <b>\$14,969,928</b>              | <b>\$341,068</b>           | <b>(2.3)%</b>     |
| <b>Net Surplus (Deficit) from Operations</b>   | <b>(\$4,268,003)</b>   | <b>(\$4,572,966)</b>             | <b>(\$4,071,756)</b>             | <b>(\$501,210)</b>         | <b>(12.3)%</b>    |
| <b>Non Operating Revenue and Expense</b>       |                        |                                  |                                  |                            |                   |
| Non Operating Revenue                          |                        |                                  |                                  |                            |                   |
| Measure Z Operating Funds                      | \$5,089,688            | \$4,695,489                      | \$4,686,582                      | \$8,907                    | (0.2)%            |
| Measure Z Capital Funds                        | \$0                    | \$3,490,049                      | \$0                              | \$3,490,049                | 0.0 %             |
| Interest Income                                | \$120,000              | \$140,854                        | \$110,000                        | \$30,854                   | (28.0)%           |
| Investment Income                              | \$0                    | \$1,697,620                      | \$0                              | \$1,697,620                | 0.0 %             |
| Board Designated Endowment Funds               | \$10,000               | \$156,870                        | \$9,167                          | \$147,703                  | (1,611.2)%        |
| City of Fresno Funds                           | \$0                    | \$0                              | \$0                              | \$0                        | 0.0 %             |
| Grants and Fundraising                         | \$0                    | \$112,748                        | \$0                              | \$112,748                  | 0.0 %             |
| <b>Total Non Operating Revenue</b>             | <b>\$5,219,688</b>     | <b>\$10,293,628</b>              | <b>\$4,805,749</b>               | <b>\$5,487,879</b>         | <b>(114.2)%</b>   |
| Non Operating Expense                          |                        |                                  |                                  |                            |                   |
| Measure Z Depreciation                         | \$0                    | \$3,289,000                      | \$0                              | (\$3,289,000)              | 0.0%              |
| Measure Z Bank Fees                            | \$320                  | \$210                            | \$300                            | \$90                       | (30.0)%           |
| <b>Total Non Operating Expense</b>             | <b>\$320</b>           | <b>\$3,289,210</b>               | <b>\$300</b>                     | <b>(\$3,288,910)</b>       | <b>0.0 %</b>      |
| <b>Total Non Operating Revenue and Expense</b> | <b>\$5,219,368</b>     | <b>\$7,004,418</b>               | <b>\$4,805,449</b>               | <b>\$8,776,789</b>         | <b>(182.6)%</b>   |
| <b>NET SURPLUS/(DEFICIT)</b>                   | <b>\$951,365</b>       | <b>\$2,431,452</b>               | <b>\$733,693</b>                 | <b>\$8,275,579</b>         | <b>(1,127.9)%</b> |



**Fresno Chaffee Zoo**  
**SUMMARY OF KEY INDICATORS**

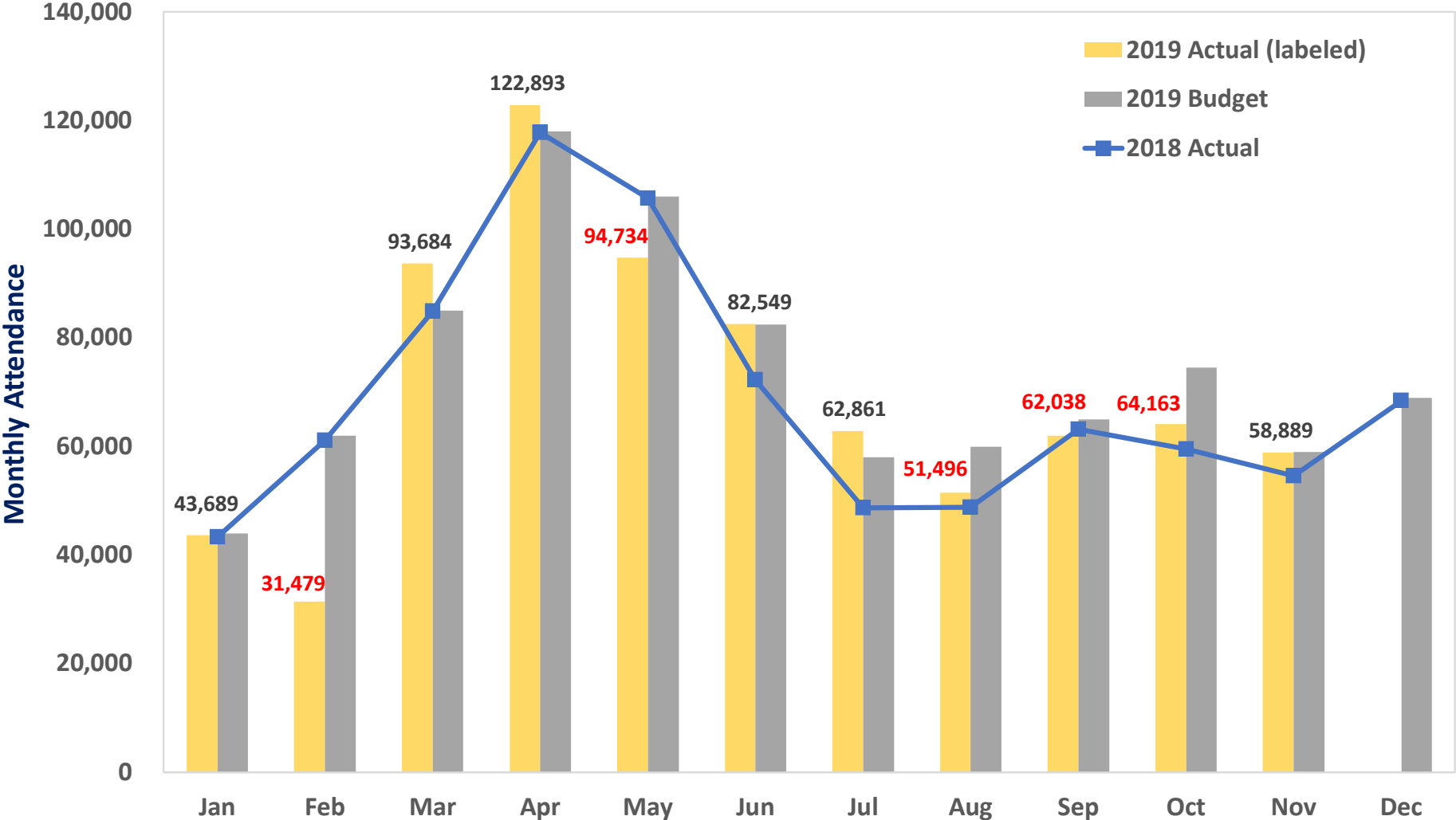
**November 2019**

|            | <b>FY 19 Year-to-Date</b> |          |                 |
|------------|---------------------------|----------|-----------------|
|            | Actuals                   | Budgeted | Difference      |
| Attendance | 768,475                   | 814,000  | <b>(45,525)</b> |

|                       | <b>FY 19 Year-to-Date vs. Budget</b> |                      |                    |
|-----------------------|--------------------------------------|----------------------|--------------------|
|                       | Actuals                              | Budgeted             | Difference         |
| Revenue               | \$10,055,894                         | \$10,898,172         | <b>(\$842,278)</b> |
| Payroll               | \$8,736,540                          | \$8,793,899          | <b>(\$57,360)</b>  |
| Operating Expenses    | \$5,892,320                          | \$6,176,029          | <b>(\$283,709)</b> |
| Net Surplus (Deficit) | <b>(\$4,572,966)</b>                 | <b>(\$4,071,756)</b> | <b>(\$501,210)</b> |
| Measure Z Operating   | \$4,695,489                          | \$4,686,582          | \$8,907            |

|                       | <b>FY 19 vs. FY 18 Year-to-Date</b> |                      |                    |
|-----------------------|-------------------------------------|----------------------|--------------------|
|                       | November-19                         | November-18          | Difference         |
| Attendance            | 768,475                             | 759,977              | 8,498              |
| Revenue               | \$10,055,894                        | \$9,371,854          | \$684,039          |
| Payroll               | \$8,736,540                         | \$7,762,418          | \$974,121          |
| Operating Expenses    | \$5,892,320                         | \$5,427,579          | \$464,741          |
| Net Surplus (Deficit) | <b>(\$4,572,966)</b>                | <b>(\$3,818,143)</b> | <b>(\$754,823)</b> |
| Measure Z Operating   | \$4,695,489                         | \$4,142,101          | \$553,388          |

# Fresno's Chaffee Zoo Monthly Attendance



# Discussion of Financial Results

## YTD as of November 30, 2019

### Per Capita Data

| Area            | 2019   | Budget | 2018   | Capture Rate 2019 | Capture Rate 2018 |
|-----------------|--------|--------|--------|-------------------|-------------------|
| Admissions      | \$5.35 | \$5.63 | \$5.35 | N/A               | N/A               |
| Concessions     | \$0.94 | \$0.80 | \$0.84 | N/A               | N/A               |
| Gift Shop       | \$0.55 | \$0.53 | \$0.58 | N/A               | N/A               |
| Giraffe Feeding | \$0.72 | \$0.66 | \$0.65 | 27%               | 23%               |
| Stingray Bay    | \$0.34 | \$0.33 | \$0.34 | 30%               | 28%               |
| Zoorassic Park  | \$1.82 | \$1.09 | N/A    | 45%               | N/A               |



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DATE: February 5, 2020

TO: Fresno County Zoo Authority Board

FROM: Ronald Alexander, Zoo Authority Board Coordinator

SUBJECT: Zoo Corp FY 2020 Measure Z Operating Funds Budget

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**RECOMMENDED ACTION:**

Approve Fresno's Chaffee Zoo Corporation fiscal year 2020 Measure Z Operating funds totaling \$5,263,687 for reimbursement of Animal Care and Veterinary Salaries and Benefits, Animal Feed, Exhibit Maintenance & Renovations, Water Quality Supplies, Utilities, and Bank Fees to wire reimbursement funds to the Zoo.

**DISCUSSION:**

The 2020 budget (Attachment A) was developed by the management team of the Fresno Chaffee Zoo. The 2020 Measure Z Operating request is \$5,263,687, and all line items are included in the Zoo's operating budget. 2020 Measure Z projected operating revenue is \$5,263,687, excluding earned interest.

Approximately 88% of the \$5,263,687 request is supported by Animal Care and Veterinary Salaries and Benefits as well as Animal Feed. The request is also supported by Exhibit Maintenance and Renovations, Water Quality Supplies, and Utilities. These line items will help cover a portion of the costs associated with maintaining exhibits, including the life support systems in Sea Lion Cove, African Adventure, and Wilderness Falls; water treatment in the life support systems, principally salt, chlorine, and other chemicals; and gas and electric utilities to support zoo operations. As new exhibits have come online, the zoo's annual operating budget has increased to support additional animal care, animal feed, and maintenance costs.

Fresno's Chaffee Zoo Corporation Board of Directors approved the 2020 budget on November 20, 2019.

# Fiscal Year 2020 Finance Committee Presentation

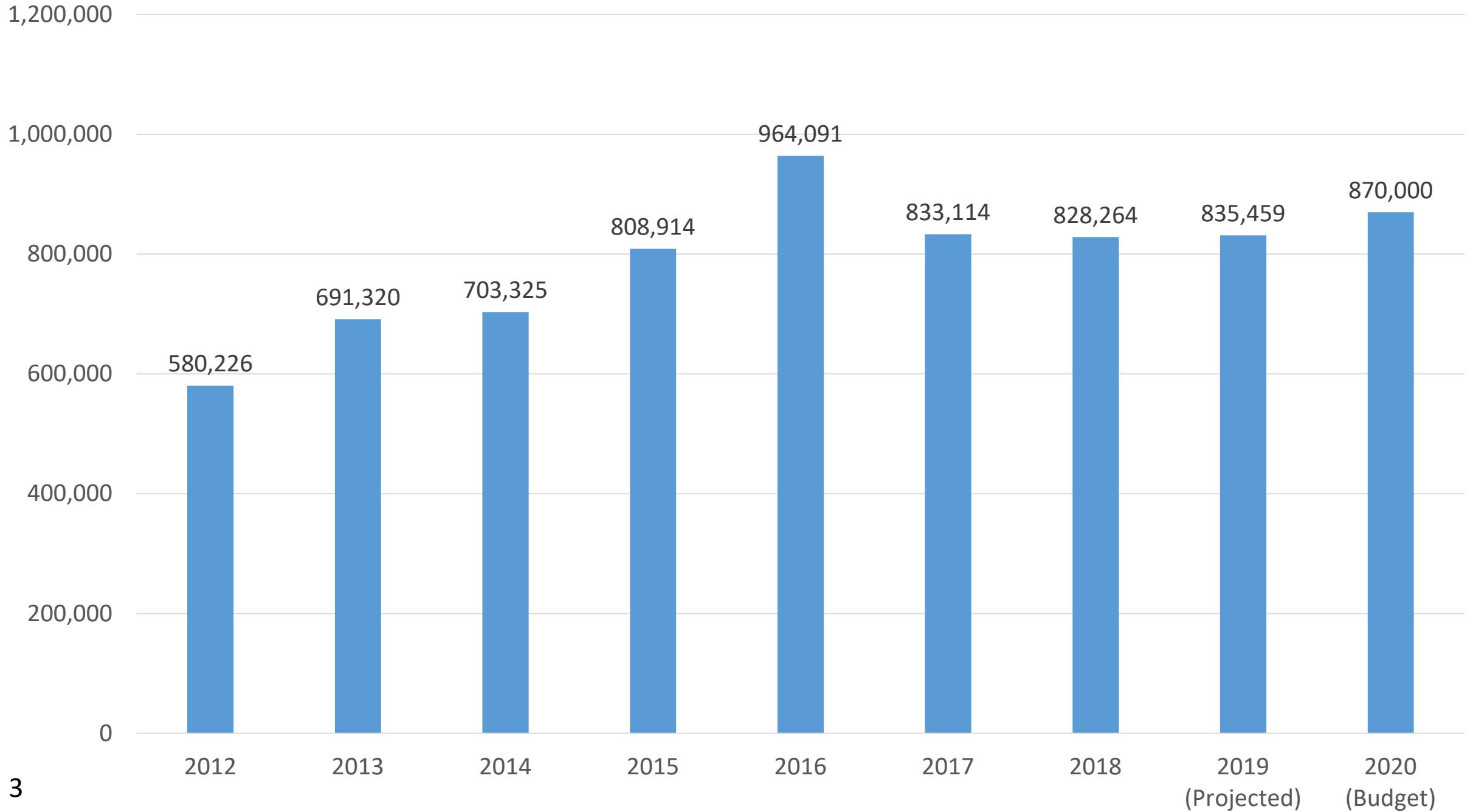


## 2020 Budget Overview

|                           | 2019                | 2020                |
|---------------------------|---------------------|---------------------|
| Total Earned Revenue      | \$ 11,918,529       | \$ 12,511,340       |
| Measure Z Operating Funds | <u>\$ 5,089,688</u> | <u>\$ 5,263,687</u> |
| Total Operating Revenue   | \$ 17,008,217       | \$ 17,775,027       |
| Personnel Expenses        | \$ 9,554,403        | \$ 10,841,301       |
| Other Expenses            | <u>\$ 6,746,128</u> | <u>\$ 6,931,231</u> |
| Total Expenses            | \$ 16,300,532       | \$ 17,772,532       |
| Attendance Forecast       | 883,000             | 870,000             |
| Admission Price           | \$ 12.95 Adults     | \$ 14.95 Adults     |
|                           | \$ 7.95 Children    | \$ 8.95 Children    |

2020 Budget includes Zoorassic Park returning from March through July.

# Fresno Chaffee Zoo Attendance History



|                                     | <b>2018</b>         | <b>2019</b>         | <b>2020</b>         |
|-------------------------------------|---------------------|---------------------|---------------------|
| <b>Self Generated Revenue</b>       | <b>Actual</b>       | <b>Budget</b>       | <b>Budget</b>       |
| Admissions                          | \$4,229,523         | \$4,967,551         | \$5,582,057         |
| Adopt an Animal                     | \$32,590            | \$21,000            | \$33,200            |
| Behind The Scenes Revenue           | \$0*                | \$118,725           | \$140,000           |
| Education                           | \$479,281           | \$416,050           | \$417,050           |
| Food Services                       | \$681,024           | \$708,050           | \$818,880           |
| Gift Shop                           | \$464,914           | \$466,480           | \$503,270           |
| Giraffe Feeding                     | \$517,267           | \$582,000           | \$614,160           |
| Grants and Fundraising              | \$517,611           | \$453,000           | \$125,000           |
| Group Event/Facility Rental         | \$601,806           | \$573,000           | \$615,000           |
| Membership                          | \$1,418,912         | \$1,616,351         | \$1,660,000         |
| Special Events                      | \$915,132           | \$763,613           | \$920,000           |
| Stingray Exhibit                    | \$267,736           | \$295,500           | \$303,000           |
| Other Income                        | \$132,603           | \$78,209            | \$153,658           |
| Dinosaur Exhibit Revenue            | \$0*                | \$859,000           | \$626,066           |
| <b>Total Self-Generated Revenue</b> | <b>\$10,258,399</b> | <b>\$11,918,529</b> | <b>\$12,511,340</b> |

\* Added in 2019. Behind the Scenes was part of Education revenue before 2019.



|                                 | <b>2018</b>        | <b>2019</b>        | <b>2020</b>         |
|---------------------------------|--------------------|--------------------|---------------------|
| <b>Personnel Expenses</b>       | <b>Actual</b>      | <b>Budget</b>      | <b>Budget</b>       |
| Administration                  | \$1,054,994        | \$894,833          | \$1,053,013         |
| Animal                          | \$3,274,396        | \$3,421,151        | \$3,936,070         |
| Bird Show                       | \$0 *              | \$278,595          | \$300,313           |
| Behind the Scenes               | \$0 *              | \$84,216           | \$85,195            |
| Education                       | \$1,105,405        | \$953,213          | \$1,183,985         |
| Human Resources                 | \$0+               | \$229,990          | \$286,710           |
| Information Technology          | \$0 *              | \$87,255           | \$97,541            |
| Maintenance/Horticulture        | \$894,636          | \$1,187,576        | \$1,320,046         |
| Marketing/Membership/Events     | \$840,727          | \$908,766          | \$1,142,746         |
| Operations                      | \$104,797          | \$110,711          | \$0 **              |
| Veterinary                      | \$345,112          | \$416,075          | \$417,629           |
| Visitor Services                | \$879,291          | \$982,023          | \$1,018,054         |
| <b>Total Personnel Expenses</b> | <b>\$8,501,375</b> | <b>\$9,554,403</b> | <b>\$10,841,301</b> |

\* Added in 2019

\*\* Operations moved to Maintenance in 2020

+ HR was part of Administration until 2019

|                            | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   |
|----------------------------|---------------|---------------|---------------|
| <b>Other Expenses</b>      | <b>Actual</b> | <b>Budget</b> | <b>Budget</b> |
| Advertising                | \$406,402     | \$386,720     | \$580,000     |
| Animal Services            | \$543,928     | \$487,000     | \$475,000     |
| Bank and Credit Card Fees  | \$258,976     | \$226,448     | \$186,388     |
| Bird Show Expense          | \$0           | \$64,510      | \$22,772      |
| Behind the Scenes Expenses | \$0           | \$10,975      | \$11,075      |
| Community Support          | \$25,500      | \$0           | \$0           |
| Conservation               | \$195,921     | \$250,000     | \$250,000     |
| Contracted Services        | \$674,595     | \$356,994     | \$334,102     |
| Depreciation               | \$420,398     | \$540,000     | \$375,000     |
| Dinosaur Exhibit Expense   | \$0           | \$825,000     | \$727,136     |
| Dues and Subscriptions     | \$42,073      | \$58,990      | \$72,333      |
| Equipment Expense          | \$239,106     | \$192,259     | \$169,203     |
| Event Expense              | \$688,678     | \$624,234     | \$633,466     |
| Fleet Expense              | \$26,604      | \$23,246      | \$25,061      |
| Food and Catering          | \$30,952      | \$52,915      | \$48,810      |
| Insurance                  | \$181,504     | \$209,500     | \$223,150     |
| Interest Expense           | \$9,212       | \$14,000      | \$27,000      |
| IT                         | \$85,540      | \$87,543      | \$140,562     |

| <b>Other Expenses (continued)</b> | <b>2018<br/>Actual</b> | <b>2019<br/>Budget</b> | <b>2020<br/>Budget</b> |
|-----------------------------------|------------------------|------------------------|------------------------|
| Mileage, Tolls, and Parking       | \$1,036                | \$2,820                | \$2,760                |
| Miscellaneous Business Expenses   | \$11,621               | \$15,100               | \$17,985               |
| Office Supplies                   | \$19,898               | \$19,430               | \$24,370               |
| Postage                           | \$43,251               | \$57,665               | \$56,605               |
| Printing                          | \$137,224              | \$230,005              | \$164,035              |
| Professional Services             | \$260,086              | \$163,900              | \$261,800              |
| Recognition                       | \$5,302                | \$3,660                | \$11,928               |
| Recruiting                        | \$17,801               | \$36,755               | \$23,227               |
| Repairs and Replacements          | \$393,851              | \$343,780              | \$422,835              |
| Signage                           | \$39,065               | \$12,000               | \$40,000               |
| Specialized Services              | \$24,690               | \$37,010               | \$28,426               |
| Staff Development                 | \$127,467              | \$84,245               | \$143,115              |
| Supplies                          | \$418,707              | \$423,500              | \$403,450              |
| Taxes                             | \$0                    | \$0                    | \$3,000                |
| Telephone                         | \$50,025               | \$46,274               | \$47,257               |
| Uniforms                          | \$44,824               | \$43,150               | \$44,280               |

|                                   | <b>2018</b>         | <b>2019</b>         | <b>2020</b>         |
|-----------------------------------|---------------------|---------------------|---------------------|
| <b>Other Expenses (continued)</b> | <b>Actual</b>       | <b>Budget</b>       | <b>Budget</b>       |
| Utilities                         | \$885,060           | \$816,500           | \$935,000           |
| Other Expense                     | \$10,428            | \$0                 | \$100               |
| <b>Total Other Expenses</b>       | <b>\$6,319,727</b>  | <b>\$6,746,128</b>  | <b>\$6,931,231</b>  |
| <b>Total Expenses</b>             | <b>\$14,821,102</b> | <b>\$16,300,532</b> | <b>\$17,772,532</b> |

|  | <b>2018</b>        | <b>2019</b>        | <b>2020</b>        |
|--|--------------------|--------------------|--------------------|
| <b>Non Operating Revenue</b>                   | <b>Actual</b>      | <b>Budget</b>      | <b>Budget</b>      |
| Measure Z Operating Funds                      | \$4,405,689        | \$5,089,688        | \$5,263,687        |
| Measure Z Capital Funds                        | \$5,069,236        | \$0                | \$0                |
| Interest Income                                | \$579,992          | \$120,000          | \$0                |
| Investment Income                              | (\$1,207,857)      | \$0                | \$0                |
| Board Designated Endowment Funds               | \$137,264          | \$10,000           | \$0                |
| Restricted Grants and Fundraising              | 0*                 | 0*                 | \$ 400,000         |
| <b>Total Non Operating Revenue</b>             | <b>\$8,984,323</b> | <b>\$5,219,688</b> | <b>\$5,663,687</b> |
| <br>   |                    |                    |                    |
| <b>Non Operating Expense</b>                   |                    |                    |                    |
| Measure Z Depreciation                         | \$3,677,028        | \$0                | \$0                |
| Measure Z Bank Fees                            | \$260              | \$320              | \$320              |
| <b>Total Non Operating Expense</b>             | <b>\$3,677,288</b> | <b>\$320</b>       | <b>\$320</b>       |
| <br>   |                    |                    |                    |
| <b>Total Non Operating Revenue and Expense</b> | <b>\$5,307,035</b> | <b>\$5,219,368</b> | <b>\$5,663,367</b> |

\* Restricted and Unrestricted Grants and Fundraising were combined before 2020.

## Major Factors contributing to Salary & Benefits increases

### Increase in 2020 Budget

|                              |                   |
|------------------------------|-------------------|
| Minimum Wage increase        | \$ 92,000         |
| Compensation review          | \$ 150,000        |
| Health Benefits increase     | \$ 220,000        |
| 2 % Performance raises       | \$ 154,000        |
| Promotions and New Positions | \$ 70,200         |
| Addition to Marketing Budget | <u>\$ 190,000</u> |
| <b>Total</b>                 | <b>\$ 876,200</b> |

## 2020 Operating Budget Summary

|                               |                     |
|-------------------------------|---------------------|
| Total Earned Revenue          | \$ 12,511,341       |
| Measure Z Operating Funds     | <u>\$ 5,263,687</u> |
| Total Operating Revenue       | \$ 17,775,028       |
| Total 2020 Operating Expenses | \$ 17,772,532       |
| 2020 Operating Surplus        | \$ 2,496            |

## Capital Projects 2020 (\$ 277,200 Budgeted)

|                                |                  |
|--------------------------------|------------------|
| Bobcat                         | \$50,000         |
| Forklift Lease                 | \$5,200          |
| Ungulate Shelter (Africa)      | \$25,000         |
| Reptile House Graphics         | \$100,000        |
| Oxygen Generator (Veterinary)  | \$22,000         |
| Bird Show Improvements         | \$50,000         |
| I-Stat (Veterinary Monitoring) | \$7,000          |
| Taylor Dunn vehicle            | \$10,000         |
| Dental Radiograph              | \$8,000          |
| <b>Total</b>                   | <b>\$277,200</b> |

### If additional revenue is generated:

|                           |                  |
|---------------------------|------------------|
| Portable Squeeze Crate    | \$20,000         |
| Surveillance Cameras      | \$15,000         |
| Stingray Monitor System   | \$50,000         |
| Solar Additions           | \$100,000        |
| Pergola Columns           | \$25,000         |
| <b>Total (additional)</b> | <b>\$210,000</b> |



## Zoorassic Park Pro Forma (March – July)

### Revenue

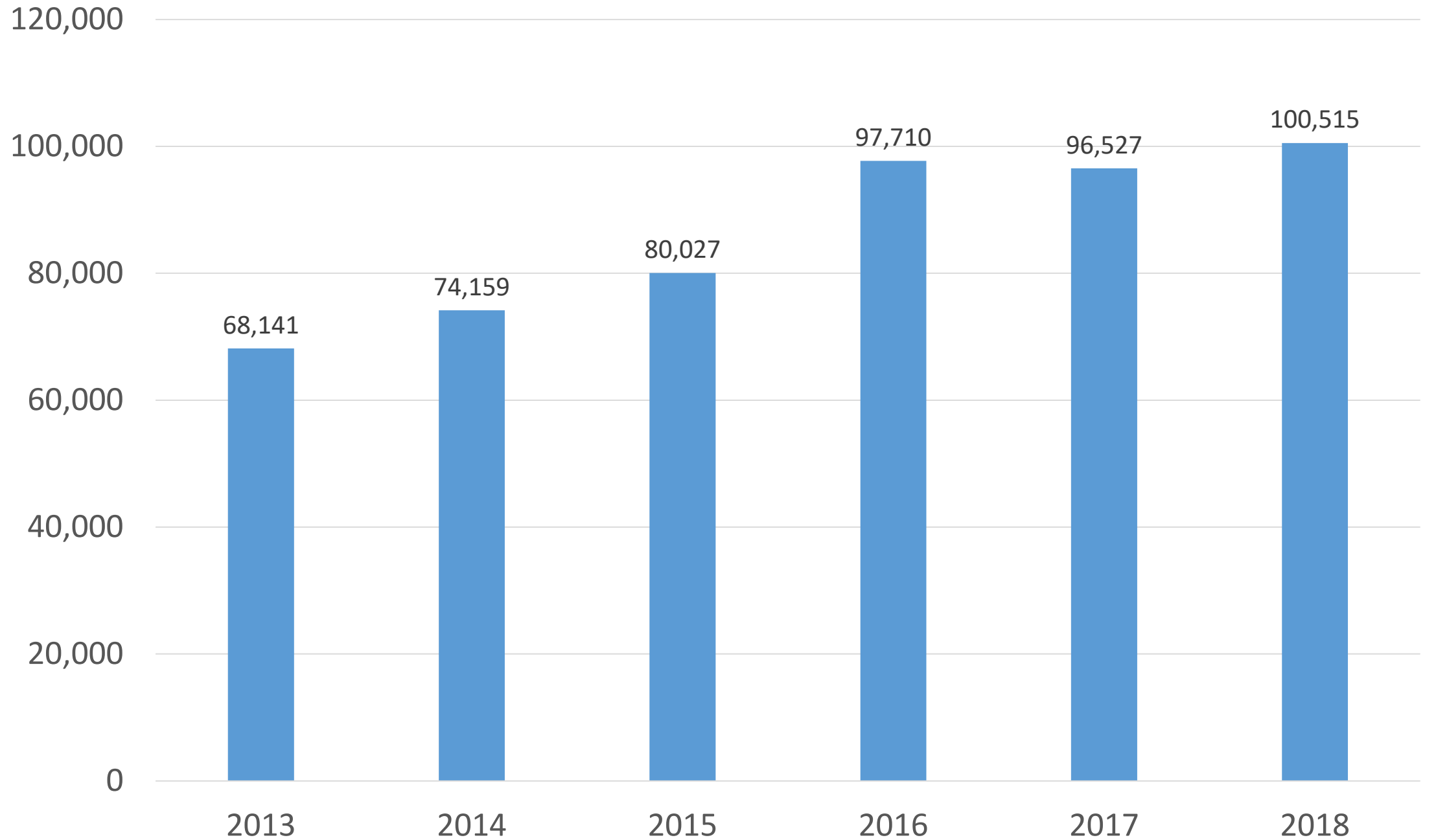
|                               |                     |
|-------------------------------|---------------------|
| Admissions (Zoo & Attraction) | \$ 540,755 *        |
| Memberships                   | \$ 150,000          |
| Sponsorships                  | \$ 25,000           |
| Special Events                | \$ 25,000           |
| Retail                        | <u>\$ 44,186</u>    |
| <b>Total Revenue</b>          | <b>\$ 784,941 *</b> |

### Expenses

|                       |                   |
|-----------------------|-------------------|
| Dinosaur Rental       | \$ 475,000        |
| Personnel             | \$ 113,286        |
| Site Preparation      | \$ 31,100         |
| Marketing             | \$ 69,250         |
| Rentals and Supplies  | <u>\$ 38,500</u>  |
| <b>Total Expenses</b> | <b>\$ 727,136</b> |
| <b>Net</b>            | <b>\$ 57,805</b>  |

\* In 2020 Budget Zoorassic Park Admission revenue is allocated between Dinosaur Exhibit Revenue and Admissions, so this number is different the Zoorassic Park revenue contribution in the General Budget.

# Student Visits



# Fresno Chaffee Zoo 2020 Pricing

## General Admission

|        |          |
|--------|----------|
| Adult  | \$ 14.95 |
| Child  | \$ 8.95  |
| Senior | \$ 8.95  |

## School Groups

|                |         |
|----------------|---------|
| Fresno County  |         |
| Student        | \$ 4.00 |
| Adult          | \$ 7.00 |
| Other Counties |         |
| Student        | \$ 5.00 |
| Adult          | \$ 8.00 |

## Memberships

|            |          |
|------------|----------|
| Family     | \$ 99.00 |
| Individual | \$ 69.00 |

Zoorassic Park pass + \$ 30.00 to membership  
Fresno County Residents get \$ 10 off memberships as  
an appreciation for Measure Z.

# Position Changes

## **New Positions**

Education Presenter

Digital Specialist

Part-Time Commissary Keeper

## **Purpose**

Distance Learning and Zoomobile presentations

Increase Social Media Presence and Marketing

Reduce relief coverage and overtime use

## **Promotions**

Lead Keeper to Zoological Area Manager (ZAM)

Continuing to grow the responsibilities of the Lead Keepers through developing the Lead Keeper positions into manager positions.

Cashier to Membership Cashier (5 positions)

Positions to focus on increasing and serving our Zoo Members.

# Admission Price Benchmark

|                               | Attendance  | Governance | Admission |         |
|-------------------------------|-------------|------------|-----------|---------|
|                               |             |            | Adult     | Child   |
| <b>California AZA Zoos</b>    |             |            |           |         |
| San Diego Zoo                 | 4 million   | Non-profit | \$56.00   | \$46.00 |
| San Diego Zoo Safari Park     | 2 million   | Non-profit | \$56.00   | \$46.00 |
| Living Desert                 | 514,000     | Non-profit | \$24.95   | \$14.95 |
| Oakland Zoo                   | 850,000     | Non-profit | \$24.00   | \$20.00 |
| San Francisco Zoo             | 890,000     | Non-profit | \$23.00   | \$17.00 |
| Los Angeles Zoo               | 2.1 million | City       | \$22.00   | \$17.00 |
| Sacramento Zoo                | 513,000     | Non-profit | \$16.50   | \$11.50 |
| Fresno Chaffee Zoo            | 828,264     | Non-profit | 14.95*    | 9.95*   |
| Charles Paddock Zoo           | 72,000      | City       | \$10.00   | \$8.00  |
| Sequoia Park Zoo              | 110,000     | City       | \$10.00   | \$6.00  |
| <b>Other AZA Zoos</b>         |             |            |           |         |
| Cheyenne Mountain Zoo         | 780,000     | Non-profit | \$22.00   | \$16.00 |
| Nashville Zoo, Nashville TN   | 1.1 million | Non-profit | \$20.00   | \$15.00 |
| Riverbanks Zoo, Columbia, SC  | 1.4 million | Non-profit | \$19.95   | \$16.95 |
| Hogle Zoo, Salt Lake City, UT | 1.1 million | Non-profit | \$18.95   | \$14.95 |



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DATE: February 5, 2020  
TO: Fresno County Zoo Authority Board  
FROM: Ronald Alexander, Zoo Authority Board Coordinator  
SUBJECT: Draft FY 2018-19 Annual Report

---

**RECOMMENDED ACTION:**

Approve draft copy of the Zoo Authority Fiscal Year 2018-19 Annual Report.

**DISCUSSION:**

Annually, Zoo Authority staff assemble a report summarizing financial statements. The attached draft Fiscal Year 2018-19 annual report includes information from the Zoo Authority Chairman of the Board, current staff members, financial information from the Zoo Authority Treasurer, and the year ended June 30, 2019 Fresno County Zoo Authority Financial Statements with Independent Auditor's Report.

It is requested that your Board review and approve the draft report prior to printing and distribution.



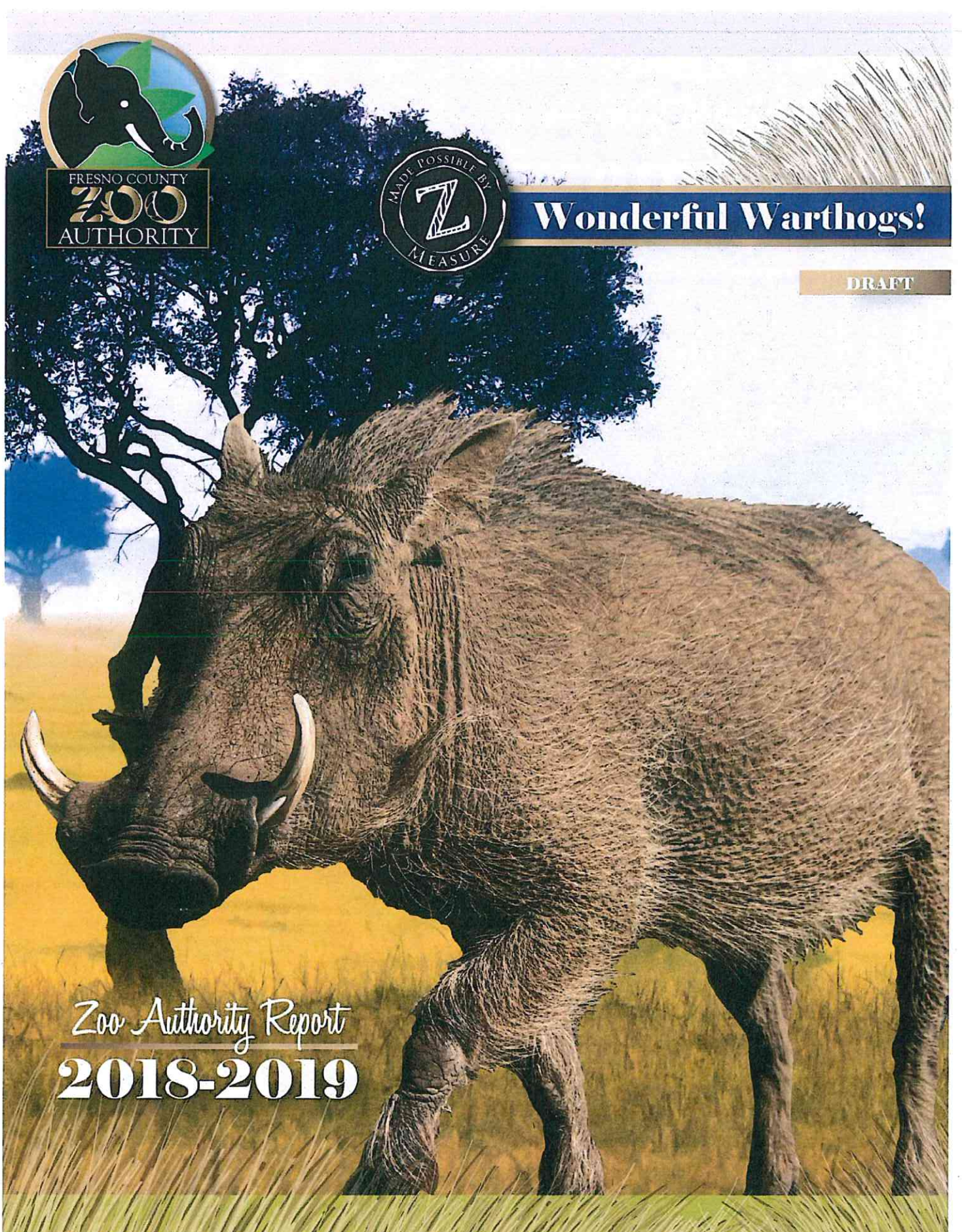
FRESNO COUNTY  
**ZOO**  
AUTHORITY



# Wonderful Warthogs!

DRAFT

*Zoo Authority Report*  
**2018-2019**



# Zoo Authority Report 2018-2019

## PAGE

Introduction by the Chair of the Zoo Authority Board

**1**

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**3**

2019 Fresno County Zoo Authority Board and Staff

**4**

2018-2019 Milestones and Highlights

**5**

Treasurer's Exhibits

**7**

Introduction to Zoo Authority Financial Statements

**9**

Appendix A - Financial Statement  
with Independent Auditor's Report

**10**

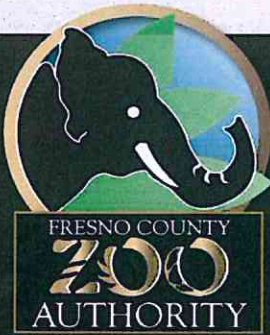
## Wacky and Wiry!

Warhogs, are related to pigs, boars and hogs. They have patches on their faces that look like warts, but are actually just thick growths of skin.

Warhogs are plump, hooved animals with large nostrils at the end of their snouts along with their tusks. They have little fur, except for a mane that goes down the spine to the middle of the back and a tail that ends with a tuft of hair.







**MICHELLE ROMAN**  
Chairman

**PETER HERZOG**  
Vice Chairman

**KRISTINA GARABEDIAN**  
Board Member

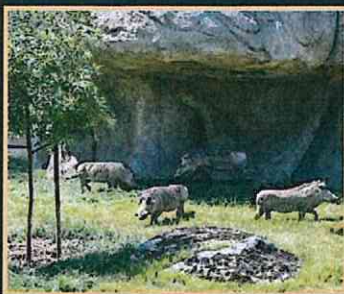
**KENT L. STRATFORD**  
Board Member

**PAUL A. TOSTE, DVM**  
Board Member

**RALPH WATERHOUSE**  
Board Member

**LEE BRAND**  
Board Member

**MIGUEL ARIAS**  
Mayor's Alternate



**ADDRESS:** 2281 Tulare Street, Room 304 • Fresno, CA 93721  
**PHONE:** 559.600.1710 • **EMAIL:** zooauthority@co.fresno.ca.us  
**WEB:** www.zooauthority.org

## News from The Zoo Authority



Fresno County Board of Supervisors  
Hall of Records  
2281 Tulare Street, Room 300  
Fresno, CA 936721

Dear Supervisors,

On behalf of the members of the Fresno County Zoo Authority Board, I am pleased to present our Annual Report for fiscal year 2018-19 that concluded on June 30.

Previously, we reported the number of visitors to the Fresno Chaffee Zoo on a calendar year basis. Given that this annual report is during the fiscal year, we decided to report attendance during the fiscal year as well. During 2018-29, Fresno Chaffee Zoo welcomed 815,142 visitors. This is 17,179 under 2017-18 attendance of 832,321.

This year's report features Warthogs, the latest addition to the Fresno Chaffee Zoo. The new Warthog exhibit in African Adventure opened in June of 2019. It was designed with animals' needs, zookeepers' needs, and guest experience all in mind. A highlight of this new exhibit is the inclusion of wallows for the warthogs to enjoy when temperatures rise. Guests have a chance to watch them exhibit this natural behavior through a glass viewing window that allows for a close, unobstructed view.

The Fresno Chaffee Zoo is excited to break ground on its next project, Kingdoms of Asia. This will bring updates to the center part of the Zoo, improve exhibits for existing species, and bring new species to the Zoo. Also, work will begin on a number of new buildings. The conservation building will highlight the important work Fresno Chaffee Zoo supports locally and around the world. Zooplex will be a mixed-use building that includes office space, meeting space, staff areas, and a new commissary for preparing animal diets. The Ambassador Animal building will be a new home for the Zoo's collection of ambassador animals.

In the fiscal year concluded on June 30, 2019, unaudited Measure Z proceeds received were \$15,111,821 with a total cash balance of \$44,680,524 available to Fresno Chaffee Zoo for future projects or maintenance and operations. Disbursements for expenses funded by Measure Z totaled \$12,551,247, which includes \$7,505,125 for capital improvements and \$5,046,122 for maintenance and operations.



## News from The Zoo Authority



The one-tenth of one percent sales tax proceeds for Measure Z are received into three Fresno County managed funds: one third for maintenance and operations, two thirds for capital projects, and two percent for Authority administrative costs. To date, Fresno Chaffee Zoo has been reimbursed \$49,963,651 for maintenance and operations, and \$81,571,783 for capital projects.

The Authority's administrative expenses are primarily for professional and specialized services provided by Fresno County staff, including managerial, clerical, accounting, and legal services, as well costs associated with the annual independent audit found in Appendix A.

Both the Zoo Authority Board and the Fresno's Chaffee Zoo Corporation Board are very mindful of our responsibility for Measure Z funds. Reporting on the use of these funds for oversight purposes is provided each fiscal year by Brown Armstrong Accountancy Corporation, our independent external auditor and by Fresno County Treasury staff. The Zoo Corporation's external auditor, Moss Adams LLP, and Zoo Corporation's staff also report to the Authority Board on the Zoo's audit of Measure Z funds on a calendar year basis.

I would like to welcome two new members to our Board: Kristina Garabedian and Miguel Arias. Ms. Garabedian comes to us via nomination by District 2 Supervisor, Steve Brandau. Mr. Arias is Mayor Lee Brand's alternate member. The collaborative efforts of the City of Fresno, Zoo Corporation, and the Authority are appreciated as all parties continue to guide future development of Fresno Chaffee Zoo.

We express our sincerest appreciation for long-term member, Gerald Lyles, and long-term Board Coordinator, Cathy Crosby. They provided a combined 27 years of service to the Authority!

I know you will agree that our Zoo is a special jewel in California's Central Valley, and I speak for all Authority Board members when I say that we look forward to many successful years to come.

If you have any questions regarding the Authority Board or the management of Measure Z funds, please feel free to contact me or one of our staff members at any time.

Respectfully,

*Michelle Roman*

Michelle Roman  
2020 Board Chairman  
Fresno County Zoo Authority

### Toothsome Tusks!

*Warthogs have two pairs of tusks protruding from the mouth that curve upward. The lower pair is shorter than the upper pair. The tusks become razor-sharp by rubbing against the upper pair every time the mouth is opened and closed.*

*The upper canine teeth can grow to 10 inches long and have a wide elliptical cross section, about 1.8 inches deep and 0.98 inches wide.*



# Acknowledgements



The Fresno County Zoo Authority greatly appreciates the investment of personal time and effort by board members of Fresno's Chaffee Zoo Corporation, and the cordial and collaborative relationship between the staff of the Authority and the Corporation.

We also acknowledge and appreciate the prompt and enthusiastic assistance from many Fresno County employees, without whom the needs and goals of the Zoo Authority Board could not be met.

**COUNTY ADMINISTRATIVE OFFICE**  
**ELIZABETH VECCHIO**, Program Technician

**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**  
**MEGAN MARKS**, Accounting & Financial Division Chief  
**MANDEEP (MANDY) SANDHU**, Account Clerk

**COUNTY COUNSEL**  
**JOAN CUADROS**, Executive Assistant

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**ELIZABETH AVALOS**, Executive Assistant  
**DONALD KENDIG**, Retirement Administrator  
**STEVE MAYER**, Systems Procedures Analyst I

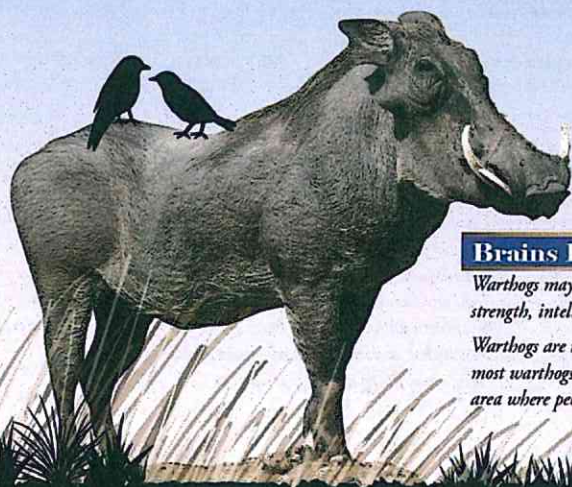
**INTERNAL SERVICES DEPARTMENT,**  
**GRAPHIC COMMUNICATION SERVICES**  
**GINA BARR-HILL**, Graphic Arts Specialist

**INTERNAL SERVICES DEPARTMENT,**  
**INFORMATION TECHNOLOGY DIVISION**  
**IRENE MENDOZA**, Business Systems Analyst



**ANNUAL REPORT DESIGNED BY:**

**GINA BARR-HILL** | Graphic Arts Specialist  
The County of Fresno, Internal Services  
Graphic Communication Services Division



**Brains Before Beauty!**

*Warthogs may not be the most beautiful creatures in the Animal Kingdom, but they do possess strength, intelligence, and flexibility!*

*Warthogs are not endangered because they are so skilled at adapting to new threats. For example, most warthogs like to forage during the light of the morning and early evening, but if they live in an area where people hunt them, they switch to foraging at night.*

# Board and Staff



## 2019 ZOO AUTHORITY BOARD MEMBERS

|   | Position / Term Expiration                        | Original Appointment            |
|---|---|---------------------------------|
| <b>PAUL A. TOSTE, DVM</b><br><i>Nominated by: District 1 Supervisor Brian Pacheco</i>           | Board Member<br><i>Term Expiration: 1/3/2023</i>  | 2/8/2005                        |
| <b>KRISTINA GARABEDIAN</b><br><i>Nominated by: District 2 Supervisor Steve Brandau</i>          | Board Member<br><i>Term Expiration: 1/3/2023</i>  | 7/9/2019                        |
| <b>KENT L. STRATFORD</b><br><i>Nominated by: District 3 Supervisor Sal Quintero</i>             | Board Member<br><i>Term Expiration: 1/4/2021</i>  | 2/8/2005                        |
| <b>MICHELLE ROMAN</b><br><i>Nominated by: District 4 Supervisor Buddy Mendes</i>                | Chairman<br><i>Term Expiration: 1/3/2023</i>      | 7/14/2015                       |
| <b>PETER HERZOG</b><br><i>Nominated by: District 5 Supervisor Nathan Magsig</i>                 | Vice Chairman<br><i>Term Expiration: 1/4/2021</i> | 9/10/2013                       |
| <b>RALPH WATERHOUSE</b><br><i>Nominated by: 2018 Board of Supervisors Chairman Sal Quintero</i> | Board Member<br><i>Term Expiration: 1/7/2020</i>  | 1/10/2006                       |
| <b>LEE BRAND</b><br><i>Ex Officio - Mayor of Fresno</i>   | Board Member                                      | Upon oath of office<br>1/5/2017 |
| <b>MIGUEL ARIAS</b><br><i>Mayor's Appointment - Fresno City Councilmember, District 3</i>       | Mayor's Alternate                                 | 1/17/2019                       |

## 2019 ZOO AUTHORITY STAFF

| Staff Member   | Zoo Authority Title | County Department                              | County Title                             |
|--|---------------------|--|--|
| <b>JEAN ROUSSEAU</b>                                 | Administrator       | County Administrative Office                   | County Administrative Officer            |
| <b>CATHERINE CROSBY</b><br><i>Through March 2019</i> | Coordinator         | Public Works and Planning                      | Staff Analyst III                        |
| <b>RON ALEXANDER</b><br><i>From March 2019</i>       | Coordinator         | County Administrative Office                   | Senior Administrative Analyst            |
| <b>LINDSAY BEAVERS</b>                               | Counsel             | County Counsel                                 | Deputy County Counsel                    |
| <b>JOSE REYNOSO</b><br><i>Through August 2019</i>    | Treasurer           | Auditor-Controller/<br>Treasurer-Tax Collector | Accountant II                            |
| <b>MEGAN MARKS</b><br><i>From September 2019</i>     | Treasurer           | Auditor-Controller/<br>Treasurer-Tax Collector | Accountant & Financial<br>Division Chief |



### Burrowing In

Warthogs live in Africa's southern Sudan and southwestern Ethiopia, in savanna woodland and grasslands and are not picky about their homes. Instead of digging their own burrows, they find abandoned aardvark holes or natural burrows to move into. A burrow is where they raise their young, sleep, and hide from predators. They usually back into the burrow, so they can scare off other animals with their sharp tusks. Burrows also protect them from extreme temperatures when it's hot at noon or freezing in the middle of the night. All in all, warthogs are very comfy living inside their burrow.



# Zoorasic Park Came Roaring In!



## 2018-19 Zoo Authority Highlights

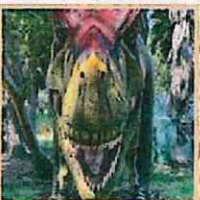


### FUNDING RESULTS HIGHLIGHTS

*A popular exhibit came roaring in to Fresno Chaffee Zoo this year: Zoorasic Park, presented by The Kirkland Foundation, a self-guided exhibit featuring 21 lifelike and life-size dinosaurs that move and make sounds. This exhibit made our guests "Re-think Extinct".*

*Patrons learned about paleontology, interacted with exhibits through special photo opportunities and attended appearances by mascots and puppets.*

*Other limited-time programs for dinosaur enthusiasts included dinosaur-themed birthday packages, paleontology summer camps, and a T-Rex adopt-an-animal campaign.*



### 2003

- Nine-year-old Angel Arellano writes to The Fresno Bee, enclosing her \$1 donation inspiring the effort to save Fresno Chaffee Zoo.

### 2004

- Board of Supervisors creates Zoo Authority, adopts ordinance for a special tax of 1/10th of one cent for ten years and approves placing ordinance on November ballot.
- Measure Z sales tax passes with 73.42% of votes.

### 2006

- Fresno's Chaffee Zoo Corporation takes over operation of the Zoo from the City of Fresno.

### 2007

- Maintenance and renovation projects throughout the Zoo

### 2008

- Master planning and pre-design engineering in progress.

### 2009

- Preparation of Environmental Impact Report and Roeding Park tree survey.

### 2010

- Stingray Bay becomes a permanent exhibit.
- Dino Dig opens.
- Fresno Planning Commission certifies Roeding Park Master Plan Environmental Impact Report.

### 2012

- Purchase of portable digital X-Ray machine.
- August-Sea Lion Cove opens; September attendance increased 93% over September 2011.

### 2013

- King Cobra, Komodo dragon and renovated Reptile House exhibits open

### 2014

- January construction begins on African Adventure. 75% of construction firms are local.
- Tiger cubs bring more than 100,000 Zoo visitors in April.
- 72% of voters approve Measure Z for another 10 years.
- Annual visitors surpass 700,000-an increase of 70% in 5 years.

### 2015

- Funding approved for African animal acquisition, utilities upgrades and expansion of Dino Dig.
- October African Adventure opening increases attendance by 95% over October 2014.

### 2016

- Between October 2015 and September 2016, the Zoo welcomed 1,020,700 visitors.
- Funding approved for expansion of Dino Dig, architectural consulting and design of Warthog exhibit, and conceptual design of African River.
- A record 964,091 guests visited the Zoo in 2016.

### 2017

- Funding approved and projects completed for storm drain extension and lines for Wilderness Falls.
- Funding approved for schematic design African River, design of Orangutan improvements, Ambassador Animal building and construction of Wilderness Falls.

### 2018

- Approved \$889,000 for Zooplex design.
- Approved \$267,000 for Asian Exhibits conceptual and schematic design.

### 2019 HIGHLIGHTS

- Completed Warthog exhibit construction.
- Completed South Corridor Infrastructure Project construction of new utilities including fiber optic, electric, water, storm water and sewer lines.



# UNAUDITED EXHIBITS

## From the Treasurer

### EXHIBIT A

Fresno County Zoo Authority  
Cash Balance

### EXHIBIT B

Cash Disbursement  
by Category to Fresno's Chaffee  
Zoo Corporation during Fiscal Year 2018-19

### EXHIBIT C

Cash Disbursements by Fund to Fresno's Chaffee  
Zoo Corporation during Fiscal Year 2018-19

### EXHIBIT D

Fresno County Zoo Authority Measure Z  
Sales Tax Proceeds Budget (Cash Basis)  
for Fiscal Year Ended June 30, 2019

### EXHIBIT E

Fresno County Zoo Authority Measure Z  
Sales Tax Proceeds (Cash Basis) by  
Fiscal Year From Inception  
to June 30, 2019

## New Arrivals at the Zoo!

### Welcomed into the Orangutan Family

#### Hantu

*The name Hantu translates to the word  
"ghost" in Malay folklore because Orangutans  
are often referred to as "ghosts of the forest"*



**Total animals  
welcomed to  
our family  
this year:**

**31**  
Amphibians

**12**  
Reptiles

**11**  
Birds

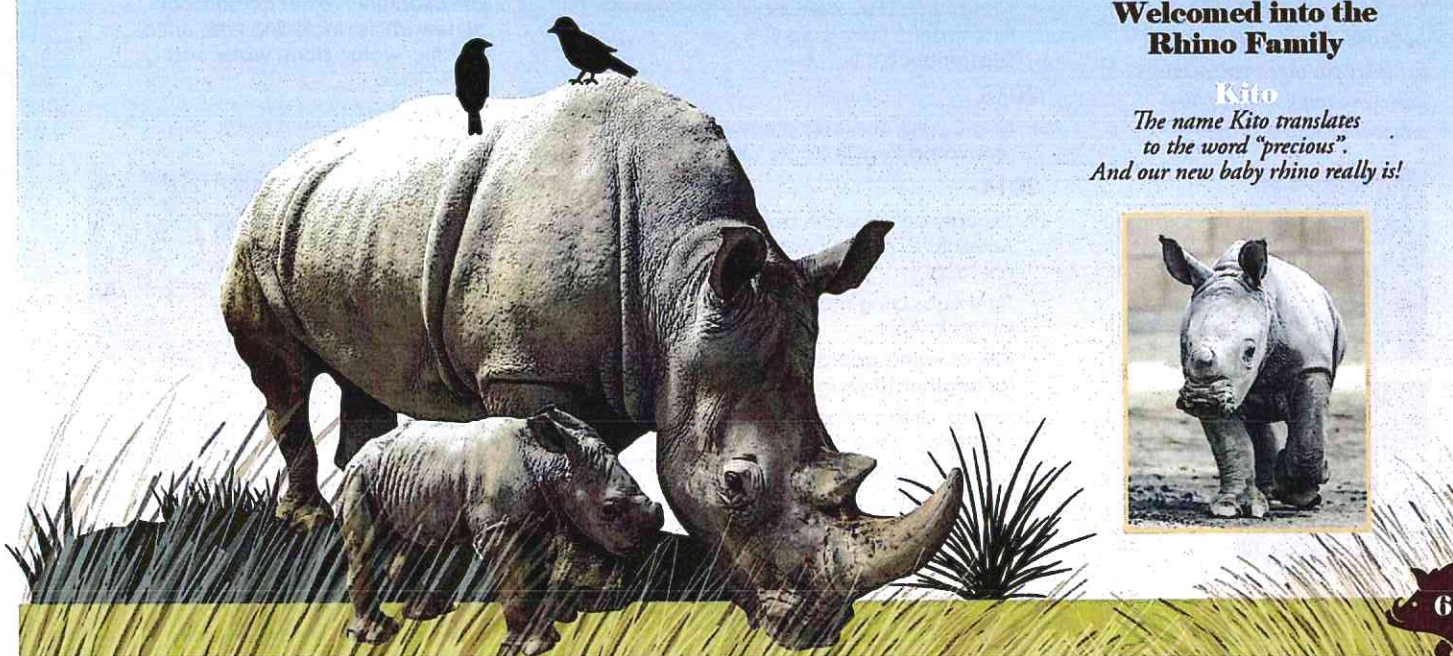
**6**  
Mammals



### Welcomed into the Rhino Family

#### Kito

*The name Kito translates  
to the word "precious".  
And our new baby rhino really is!*



UNAUDITED EXHIBITS

From the Treasurer EXHIBIT A, B & C



Top of the chain animals such as lions, cheetahs, leopards, hyenas, and eagles all like to snack on a tasty warthog if given the chance. However, because warthogs have longer legs than other swine, it allows them to run away from predators at a top speed up to 34 miles per hour. So, warthogs don't have time to wipe the sleep from their eyes. When they leave their cozy burrow, they must take off at top speed in case any predators are waiting for them!

**EXHIBIT A: Measure Z Cash Balance**

As of June 30, 2019

|  |            |                     |
|--|------------|---------------------|
| CASH AVAILABLE FOR ADMINISTRATION (2%)         |            |                     |
| Fresno County Zoo Authority                    |            | 1,746,943           |
| CASH FOR ZOOLOGICAL ACTIVITIES (98%)           |            |                     |
| Operations                                     | 8,006,388  |                     |
| Capital Projects                               | 34,927,193 |                     |
| Total Cash Available for Zoological Activities |            | 42,933,581          |
| <b>TOTAL CASH BALANCE as of June 30, 2019</b>  |            | <b>\$44,680,524</b> |

**EXHIBIT B: Cash Disbursements by Category to Fresno's Chaffee Zoo Corporation**

During Fiscal Year 2018-19

|  |  |                     |
|--|--|---------------------|
| FOR OPERATIONS   |  |                     |
| Salaries & Benefits  |  | 3,956,286           |
| Animal Feed  |  | 460,937             |
| Utilities  |  | 628,619             |
| Bank Charges   |  | 280                 |
| <b>TOTAL OPERATIONS Disbursed to FCZC During Fiscal Year 2018-19</b> |  | <b>\$5,046,122</b>  |
| FOR CAPITAL PROJECTS   |  |                     |
| Capital Improvements   |  | 7,505,125           |
| Total Capital Projects Disbursed to FCZC During Fiscal Year 2018-19  |  | 7,505,125           |
| <b>TOTAL FCZC DISBURSEMENTS</b>                                      |  | <b>\$12,551,247</b> |

**EXHIBIT C: Fiscal Year Disbursements by Fund to Fresno Chaffee Zoo Corporation**

| FROM INCEPTION TO JUNE 30, 2018 (FIRST 10 YEARS) | Total Disbursements FY 2017     | Total Disbursements FY 2018     | Total Disbursements FY 2019      |
|--|---------------------------------|---------------------------------|----------------------------------|
| FY 2006-16                                       |                                 |                                 |                                  |
| Operations 35,977,941                            | Operations 4,443,979            | Operations 4,495,609            | Operations 5,046,122             |
| Capital Projects 70,165,081                      | Capital Projects 130,686        | Capital Projects 3,770,891      | Capital Projects 7,505,125       |
| Total Disbursements \$106,143,022                | TOTAL DISBURSEMENTS \$4,574,665 | TOTAL DISBURSEMENTS \$8,266,500 | TOTAL DISBURSEMENTS \$12,551,247 |

|                              |                              |                                    |                      |
|------------------------------|------------------------------|------------------------------------|----------------------|
| <b>TOTAL RECAP 2006-2019</b> | <b>Operations 49,963,651</b> | <b>Capital Projects 81,571,783</b> | <b>\$131,535,434</b> |
|------------------------------|------------------------------|------------------------------------|----------------------|

UNAUDITED EXHIBITS

From the Treasurer EXHIBIT D & E



*It's not easy to catch a warthog as they are very good at dodging and running and are not afraid to fight. They use their sharp lower canine teeth (which look like straight tusks) as weapons while squealing at the top of their lungs! When they walk, their tail hangs down, but when they run, their tail sticks up, with the bushy tip hanging down which serves as a warning to other warthogs if danger is near.*

**EXHIBIT D: Fresno County Zoo Authority Measure Z Sales Tax Proceeds Budget (Cash Basis)**

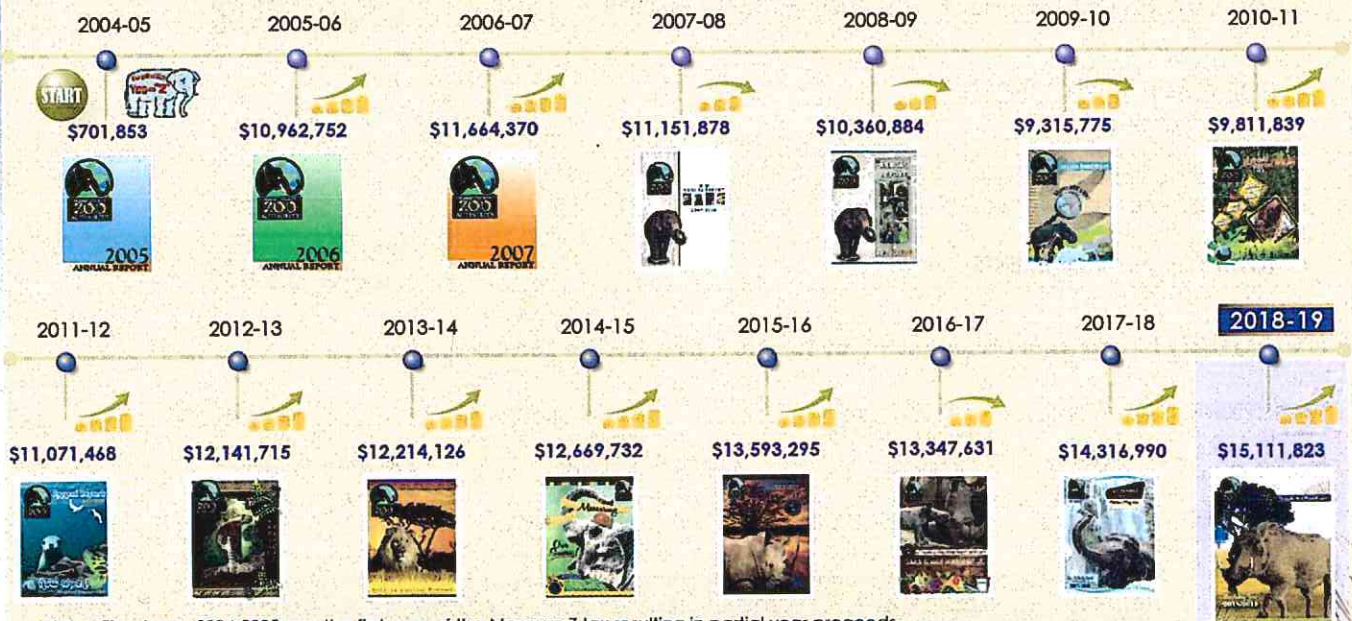
For the Fiscal Year Ended June 30, 2019

| JULY 2018             | AUGUST 2018           | SEPTEMBER 2018        | OCTOBER 2018          | NOVEMBER 2018         | DECEMBER 2018         |                                      |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------------------|
| BUDGET<br>\$940,108   | BUDGET<br>\$1,228,590 | BUDGET<br>\$1,377,242 | BUDGET<br>\$951,966   | BUDGET<br>\$1,231,956 | BUDGET<br>\$1,408,993 | <b>TOTAL BUDGET<br/>FOR 2018-19</b>  |
| ACTUAL<br>\$1,227,435 | ACTUAL<br>\$928,052   | ACTUAL<br>\$1,171,132 | ACTUAL<br>\$1,619,199 | ACTUAL<br>\$1,531,072 | ACTUAL<br>\$1,392,262 | BUDGET<br>\$13,567,846               |
| JANUARY 2019          | FEBRUARY 2019         | MARCH 2019            | APRIL 2019            | MAY 2019              | JUNE 2019             |                                      |
| BUDGET<br>\$923,343   | BUDGET<br>\$1,234,124 | BUDGET<br>\$1,377,986 | BUDGET<br>\$839,438   | BUDGET<br>\$1,040,643 | BUDGET<br>\$1,013,457 | <b>ACTUAL BUDGET<br/>FOR 2018-19</b> |
| ACTUAL<br>\$1,345,542 | ACTUAL<br>\$1,118,789 | ACTUAL<br>\$1,327,543 | ACTUAL<br>\$1,318,821 | ACTUAL<br>\$868,850   | ACTUAL<br>\$1,263,124 | ACTUAL<br>\$15,111,821               |

**EXHIBIT E: Fresno County Zoo Authority Measure Z Sales Tax Proceeds (Cash Basis)**

By Fiscal Year From Inception to June 30, 2019

Total Measure Z Proceeds (Cash Basis) from Inception to 6/30/19: **\$168,436,131**



\*Note: Fiscal year 2004-2005 was the first year of the Measure Z tax resulting in partial year proceeds.



## INTRODUCTION TO AUDITED FINANCIAL STATEMENTS

*Audited Financial Statements*

The Zoo Authority's financial statements for fiscal year ended June 30, 2019 were audited by Brown Armstrong, Certified Public Accountants, which is an independent accounting firm. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These audited financial statements, as well as the independent auditor's report are presented in Appendix A. The notes to the financial statements should be read in conjunction with the statements as they are an integral part of the statements and provide disclosures required by generally accepted accounting principles (GAAP).

Financial highlights can be found on page 3 of the financial statements. Additional information, which is an integral part of the financial statements, can be found on pages 16-21.

Financial information for administration by the Zoo Authority is presented in pages 9-12. Financial information in relation to the operations and capital projects trust funds (funds for zoological purposes) is presented in pages 13-14.

As further discussed on page 19 of the financial statements, the Authority adopted an operating budget for fiscal year ended June 30, 2019. The variation between estimated and actual revenue and expenditures is presented in the Budgetary Comparison Schedule on page 24.

## DISBURSEMENTS TO FRESNO'S CHAFFEE ZOO CORPORATION

During fiscal year 2019, a total of \$12,551,247 was disbursed to the Fresno's Chaffee Zoo Corporation; \$5,046,122 for operations and \$7,505,125 for capital projects.<sup>1</sup> The Statement of Fiduciary Net Position on page 13 presents cash balances available for operations and capital projects to be used for Zoological purposes as of June 30, 2019. This statement also presents funds held in trust for operations and capital projects based on the accrual basis of accounting.

<sup>1</sup> Due to the time required to prepare the Annual Report prior to the completion of the independent audit, the Authority has included cash basis figures from the June 30, 2019 Treasurer's Report for the front pages. These differ from the figures in the audit, dated December 5, 2019.



**ANIMALS! • FAMILIES! • ICE CREAM! • FUN! • ALL IN ONE DAY!**



**FUN AT THE ZOO DURING ICE CREAM ZOO FARI 2019**

## Oh, to be a Warthog!

Warthogs are wiley, winning, winsome,  
wonderful, woolly, wrathful, and weird.

Warthogs are willful, wanton, warlike,  
wiggly, woozy, and might sport a beard.

Warthogs are wobbly, wide eyed,  
worthy, whimsical, and can run  
at speeds like a bull.

But most of all, if we have to brag,  
warthogs are simply, truly...

*Wonderful!*

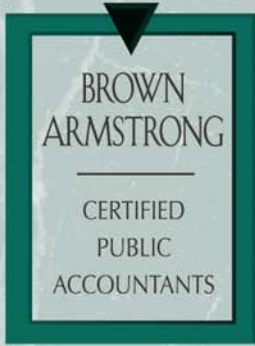


**FRESNO COUNTY ZOO AUTHORITY  
FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**For the Year Ended June 30, 2019**

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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Fresno County Zoo Authority  
Fresno, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Fresno County Zoo Authority (the Authority), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility 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; 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate remaining fund information of the Authority, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

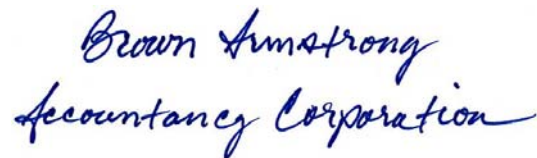
### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style.

Bakersfield, California  
December 5, 2019

**FRESNO COUNTY ZOO AUTHORITY  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

This section of the Fresno County Zoo Authority (Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2019. Please read the information contained in this discussion and analysis in conjunction with the Authority's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources (referred to as net position) at the end of the 2018-2019 fiscal year by \$1,796,266. This amount is considered restricted net position.
- Liabilities of the Authority totaled \$11,528 at June 30, 2019. This amount primarily consists of expenses related to professional and specialized services provided by the County of Fresno.
- The Authority's total net position increased by \$201,506 during fiscal year 2018-2019.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) **Government-wide** financial statements; 2) **Fund** financial statements, and 3) **Notes** to the basic financial statements. Required Supplementary Information (RSI) is included in addition to the basic financial statements.

*Government-wide Financial Statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. Therefore, the statements are reported using the accrual basis of accounting. Please refer to Note 1, for further information on the accrual basis of accounting.

The *statement of net position* presents information on all of the Authority's assets and deferred outflows of resources, along with its liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the Authority that are principally supported by intergovernmental revenues and sales taxes (*governmental activities*) from other functions that are intended to recover all, or a portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the Authority are general government activities only. During the fiscal year reported, the Authority did not have any business-type activities.

**The government-wide financial statements can be found on pages 9-10 of this report.**

**Fund** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The *fund financial statements* are reported using the modified accrual basis of accounting, which was designed to reflect budgetary processes used by governments. See Note 1-C for further information regarding the modified

**FRESNO COUNTY ZOO AUTHORITY  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

accrual basis of accounting. The Authority's funds can be divided into two categories: governmental funds (General Fund) and fiduciary funds (private-purpose trust funds).

**Statement of Net Position (condensed)**

|                           | <b><u>June 30, 2019</u></b> | <b><u>June 30, 2018</u></b> |
|---------------------------|-----------------------------|-----------------------------|
| <b>Assets:</b>            |                             |                             |
| Current assets            | \$ 1,807,794                | \$ 1,619,838                |
| <b>Total assets</b>       | <b><u>\$ 1,807,794</u></b>  | <b><u>\$ 1,619,838</u></b>  |
| <b>Liabilities:</b>       |                             |                             |
| Current liabilities       | \$ 11,528                   | \$ 25,078                   |
| <b>Total liabilities</b>  | <b><u>\$ 11,528</u></b>     | <b><u>\$ 25,078</u></b>     |
| <b>Net position:</b>      |                             |                             |
| Restricted                | \$ 1,796,266                | \$ 1,594,760                |
| <b>Total net position</b> | <b><u>\$ 1,796,266</u></b>  | <b><u>\$ 1,594,760</u></b>  |

**Statement of Activities (condensed)**

|                               | <b><u>June 30, 2019</u></b> | <b><u>June 30, 2018</u></b> |
|-------------------------------|-----------------------------|-----------------------------|
| <b>Revenues:</b>              |                             |                             |
| General revenues              | \$ 326,459                  | \$ 326,477                  |
| <b>Total revenues</b>         | <b><u>\$ 326,459</u></b>    | <b><u>\$ 326,477</u></b>    |
| <b>Expenses:</b>              |                             |                             |
| Governmental activities       | \$ 124,953                  | \$ 140,795                  |
| <b>Total expenses</b>         | <b><u>\$ 124,953</u></b>    | <b><u>\$ 140,795</u></b>    |
| <b>Net position beginning</b> | \$ 1,594,760                | \$ 1,409,078                |
| <b>Change in net position</b> | <u>201,506</u>              | <u>185,682</u>              |
| <b>Net position ending</b>    | <b><u>\$ 1,796,266</u></b>  | <b><u>\$ 1,594,760</u></b>  |

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both, the governmental fund balance sheet and the governmental fund statement of revenues,



**FRESNO COUNTY ZOO AUTHORITY  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Authority's General Fund budgetary comparison schedule is presented in Required Supplementary Information. The Authority adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule is thus provided for the General Fund to demonstrate compliance with this budget.

The Authority reports one individual major governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

**The governmental fund financial statements can be found on pages 11-12 of this report.**

**Fiduciary funds** are used to account for resources held by the Authority in a trustee or agency capacity for others (i.e., Fresno Chaffee Zoo). Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The type of fiduciary funds used by the Authority can be further classified as a *private-purpose trust funds*. There are two basic financial statements used to report information on fiduciary funds: the statement of fiduciary net position (required for all fiduciary funds) and the statement of changes in fiduciary net position (required for all fiduciary funds except agency funds).

**The fiduciary fund financial statements can be found on pages 13-14 of this report.**

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 16-21 of this report.

**Required Supplementary Information** is presented for the budgetary comparison schedule of the General Fund, which is presented immediately following the notes to the basic financial statements.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,796,266 at the close of fiscal year 2018-2019. The Authority has no investments in capital assets.

**Governmental activities:** Governmental activities increased the Authority's net position by \$201,506 during fiscal year 2018-2019. The key element of this increase relates to sales tax revenue exceeding total expenditures by \$164,709.

#### **FINANCIAL ANALYSIS OF THE AUTHORITY FUNDS**

As noted earlier, the Authority uses **fund accounting** to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The general government functions are contained in the General Fund. The focus of the Authority's governmental fund is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Authority's financing requirements.

**FRESNO COUNTY ZOO AUTHORITY  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

At June 30, 2019, the Authority's governmental fund reported a fund balance of \$1,796,266, an increase of \$201,506 in comparing to the balance of \$1,594,760 reported at June 30, 2018.

Revenues for the governmental fund totaled \$326,459 in fiscal year 2018-2019. Revenue was primarily comprised from Measure Z sales tax (89%). The remaining 11% was interest.

Expenditures for governmental funds totaled \$124,953 in fiscal year 2018-2019.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the 2018-2019 fiscal year, actual revenues were above those estimated in the final budget by \$22,761 due to a net increase in sales tax revenue. Actual expenditures were below current year budgeted amounts by \$84,966. This difference in expenditures is primarily due to a greater use of encumbered, prior year expenditure for professional and specialized services, which incorporated into the overall, current year expenditures. Additional information regarding the encumbrance system can be found in the note to budgetary comparison schedule – General Fund on page 24.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fresno County Auditor-Controller's Office, 2281 Tulare Street, Fresno, California 93721.

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## **BASIC FINANCIAL STATEMENTS**

**FRESNO COUNTY ZOO AUTHORITY**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

|                            | Governmental<br>Activities |
|----------------------------|----------------------------|
| <b>ASSETS</b>              |                            |
| Cash and investments       | \$ 1,746,943               |
| Interest receivable        | 9,645                      |
| Due from other governments | 51,206                     |
| Total assets               | 1,807,794                  |
| <br><b>LIABILITIES</b>     |                            |
| Accrued liabilities        | 11,528                     |
| Total liabilities          | 11,528                     |
| <br><b>NET POSITION</b>    |                            |
| Restricted                 | 1,796,266                  |
| Total net position         | \$ 1,796,266               |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2019**

| Functions/Programs       | Expenses   | Program Revenues -<br>Charges for Services | Operating Grants<br>and Contributions | Net Expenses and<br>Changes in Net<br>Position of<br>Governmental Activities |
|--------------------------|------------|--|---------------------------------------|--|
| Governmental activities- |            |  |                                       |  |
| General government       | \$ 124,953 | \$ -                                       | \$ -                                  | \$ (124,953)   |
| Total                    | \$ 124,953 | \$ -                                       | \$ -                                  | \$ (124,953)   |
| General revenues:        |            |  |                                       |  |
| Sales tax                |            |  |                                       | 289,662  |
| Interest                 |            |  |                                       | 36,797   |
| Total general revenues   |            |  |                                       | 326,459  |
| Change in net position   |            |  |                                       | 201,506  |
| Net position - beginning |            |  |                                       | 1,594,760  |
| Net position - ending    |            |  |                                       | \$ 1,796,266   |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUND  
June 30, 2019**

| <b>ASSETS AND<br/>DEFERRED OUTFLOWS OF RESOURCES</b>                   | <u>General Fund</u>        |
|--|----------------------------|
| Cash and investments   | \$ 1,746,943               |
| Interest receivable  | 9,645                      |
| Due from other governments   | 51,206                     |
| Total assets   | <u>1,807,794</u>           |
| Deferred outflows of resources   | -                          |
| Total assets & deferred outflows of resources                          | <u><u>\$ 1,807,794</u></u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES<br/>AND FUND BALANCE</b> |                            |
| Liabilities:   |                            |
| Accrued liabilities  | \$ 11,528                  |
| Total liabilities  | <u>11,528</u>              |
| Deferred inflows of resources  | <u>-</u>                   |
| Fund balance:  |                            |
| Restricted   | <u>1,796,266</u>           |
| Total fund balance   | <u>1,796,266</u>           |
| Total liabilities, deferred inflows of resources, and<br>fund balance  | <u><u>\$ 1,807,794</u></u> |

**Reconciliation of the Balance Sheet to the Statement of Net Position**

|  |                            |
|--|----------------------------|
| Total fund balance - governmental fund | \$ 1,796,266               |
| Differences                            | <u>-</u>                   |
| Net position - governmental activities | <u><u>\$ 1,796,266</u></u> |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
For the Year Ended June 30, 2019**

| <b>REVENUES</b>                       | <u>General Fund</u>        |
|---------------------------------------|----------------------------|
| Measure Z sales tax                   | \$ 289,662                 |
| Interest                              | <u>36,797</u>              |
| Total revenues                        | <u>326,459</u>             |
| <br>                                  |                            |
| <b>EXPENDITURES</b>                   |                            |
| Current:                              |                            |
| Office expense                        | 66                         |
| Postage                               | 235                        |
| PeopleSoft charges                    | 706                        |
| Professional and specialized services | <u>123,946</u>             |
| Total expenditures                    | <u>124,953</u>             |
| Excess of revenues over expenditures  | <u>201,506</u>             |
| Net change in fund balance            | 201,506                    |
| <br>                                  |                            |
| <b>FUND BALANCE</b>                   |                            |
| Fund balance - beginning              | <u>1,594,760</u>           |
| Fund balance - ending                 | <u><u>\$ 1,796,266</u></u> |

**Reconciliation of the Statement of Revenues, Expenditures, and Fund Balance to the Statement of Activities**

|  |                          |
|--|--------------------------|
| Net change in fund balance - governmental fund   | \$ 201,506               |
| Differences                                      | <u>-</u>                 |
| Change in net position - governmental activities | <u><u>\$ 201,506</u></u> |

The accompanying notes are an integral part of this statement.



**FRESNO COUNTY ZOO AUTHORITY  
STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS  
June 30, 2019**

|                                    | <u>Operations</u>   | <u>Capital Projects</u> | <u>Total</u>         |
|------------------------------------|---------------------|-------------------------|----------------------|
| <b>ASSETS</b>                      |                     |                         |                      |
| Cash and investments               | \$ 8,006,388        | \$ 34,927,193           | \$ 42,933,581        |
| Due from other governments         | 836,368             | 1,672,738               | 2,509,106            |
| Interest receivable                | 39,003              | 195,539                 | 234,542              |
| Total assets                       | <u>8,881,759</u>    | <u>36,795,470</u>       | <u>45,677,229</u>    |
| <b>LIABILITIES</b>                 |                     |                         |                      |
| Due to non-profit                  | <u>833,340</u>      | <u>681,869</u>          | <u>1,515,209</u>     |
| Total liabilities                  | <u>833,340</u>      | <u>681,869</u>          | <u>1,515,209</u>     |
| <b>NET POSITION</b>                |                     |                         |                      |
| Held in trust for operations       | 8,048,419           | -                       | 8,048,419            |
| Held in trust for capital projects | -                   | <u>36,113,601</u>       | <u>36,113,601</u>    |
| Total net position                 | <u>\$ 8,048,419</u> | <u>\$ 36,113,601</u>    | <u>\$ 44,162,020</u> |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS  
For the Year Ended June 30, 2019**

|  | <u>Operations</u>          | <u>Capital Projects</u>     | <u>Total</u>                |
|--|----------------------------|-----------------------------|-----------------------------|
| <b>ADDITIONS</b>                       |                            |                             |                             |
| Measure Z sales tax                    | \$ 5,556,405               | \$ 8,637,087                | \$ 14,193,492               |
| Interest                               | 141,833                    | 714,818                     | 856,651                     |
| Total additions                        | <u>5,698,238</u>           | <u>9,351,905</u>            | <u>15,050,143</u>           |
| <b>DEDUCTIONS</b>                      |                            |                             |                             |
| Disbursements to non-profit            | <u>5,046,122</u>           | <u>7,505,125</u>            | <u>12,551,247</u>           |
| Total deductions                       | <u>5,046,122</u>           | <u>7,505,125</u>            | <u>12,551,247</u>           |
| Change in net position                 | 652,116                    | 1,846,780                   | 2,498,896                   |
| Net position held in trust - beginning | <u>7,396,303</u>           | <u>34,266,821</u>           | <u>41,663,124</u>           |
| Net position held in trust - ending    | <u><u>\$ 8,048,419</u></u> | <u><u>\$ 36,113,601</u></u> | <u><u>\$ 44,162,020</u></u> |

The accompanying notes are an integral part of this statement.

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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **A. Reporting Entity**

The Fresno County Zoo Authority (Authority) was created by the approval of Measure Z by the voters of Fresno County (County) in November 2004. Measure Z authorized the imposition of a 0.1% sales and use tax (the sales tax) in the County for 10 years. The Authority may spend up to 2% of the revenue for its own administrative expenses. The remaining 98% of the revenue must be used exclusively for the support of zoos, zoological facilities, and related zoological purposes within the County. Of this 98%, at least 2/3 must be spent on capital improvement projects, and up to 1/3 may be spent on operations and maintenance of the facilities. The 0.1% sales tax commenced April 1, 2005, expired on April 30, 2015, and on November 4, 2014, the measure was approved by the voters for an additional ten years.

The basic financial statements of the Authority include all of its financial activities. The Authority is the sole independent agency responsible for administering Measure Z funds and is governed by a seven-member board consisting of six qualified electors (Fresno County voters) and the City of Fresno Mayor. The six qualified electors are appointed by the Fresno County Board of Supervisors.

#### **B. Basis of Presentation**

##### Government-wide Financial Statements

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Authority does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

## NOTES TO THE FINANCIAL STATEMENTS

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### Fund Financial Statements

The fund financial statements provide information about the Authority's individual funds including governmental and fiduciary funds. Separate statements for each fund category are presented. The balance sheet and statement of revenues, expenditures, and changes in fund balance focus on the presentation of the major governmental fund, the General Fund. These two statements are used to report information regarding the Authority's own operations and programs (up to 2% of Measure Z sales tax revenue). The statement of fiduciary net position and the statement of changes in fiduciary net position provide information regarding the 98% of sales tax proceeds and related disbursements, which are exclusively restricted for the support of zoos, zoological facilities, and related zoological purposes within the County. Disbursements of Measure Z funds during fiscal year ended June 30, 2019, were made to the Fresno's Chaffee Zoo Corporation (the entity operating the Fresno Chaffee Zoo).

The Authority reports the following major governmental fund:

- The *General Fund* is used to account for the revenue (up to 2% of Measure Z sales tax revenue) and expenditures necessary to carry out basic operating activities of the Authority. Activities of the General Fund include professional and specialized services required for the administration of Measure Z funds.

The Authority reports the following fiduciary funds:

- The *Private-Purpose Trust Funds* are used to account for the portion of Measure Z sales tax proceeds (and related disbursements), exclusively restricted for the support of zoos, zoological facilities, and related zoological purposes within the County (no less than 98% of total Measure Z proceeds). During the fiscal year ended June 30, 2019, disbursements of Measure Z funds were made to the Fresno's Chaffee Zoo Corporation (FCZC), which is the entity operating the Fresno Chaffee Zoo.

#### **C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and payable.

## NOTES TO THE FINANCIAL STATEMENTS

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **D. Assets, Liabilities, and Net Position or Fund Balance**

##### Cash and Investments

Investments for the Authority are reported at fair value.

##### Due from Other Governments

Due from other governments represent sales tax receipts in the months subsequent to the Authority's fiscal year-end relating to the prior year's sales activity. The Authority has contracted with the California State Board of Equalization for collection and distribution of the 0.1% sales tax. The Board of Equalization receives an administrative fee for providing this service. The Authority records sales tax revenues net of such fees.

##### Accrued Liabilities

The Authority has agreements with the County of Fresno, whereby the County provides legal, accounting and other professional and technical services. Accrued liabilities reported on the financial statements of the Authority primarily consist of professional and specialized services provided by the County of Fresno.

##### Net Position

The classification of net position into three components – net investment in capital assets, restricted, and unrestricted – is required by GASB Statement No. 34 (and subsequently GASB Statement No. 63). These classifications are defined as follows:

- Net Investment in Capital Assets – This category consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.
- Restricted Net Position – This category consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislations.
- Unrestricted Net Position – This category represents funds which are undesignated and available for general operations.

##### Use of Management Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

## NOTES TO THE FINANCIAL STATEMENTS

### **NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

A reconciliation of the total fund balance for the governmental fund to the total net position of governmental activities has been prepared as part of the basic financial statements. However, no differences were reported between total fund balance and total net position for the fiscal year ended June 30, 2019.

A reconciliation of the total net change in fund balance for the governmental fund to the total change in net position of governmental activities has been prepared as part of the basic financial statements. However, no differences were reported between total net change in fund balance and total change in net position for the fiscal year ended June 30, 2019.

### **NOTE 3 – CASH, INVESTMENTS, AND DEPOSITS**

The Authority, under contract, maintains specific cash deposits and investments with the Fresno County Auditor-Controller/Treasurer-Tax Collector, and participates in the common investment pool of the County. The County is restricted by State code in the types of investments in which it can engage.

### **NOTE 4 – BUDGET/DISBURSEMENTS**

The Authority adopts an annual appropriated budget for its General Fund which is approved by its board. A budgetary comparison schedule is thus provided for the General Fund to demonstrate compliance with this budget.

Measure Z-funded line items of Fresno's Chaffee Zoo Corporation's (FCZC) operating and capital projects budgets for calendar years 2018 and 2019 were approved by the Authority's board. FCZC is the entity operating the Fresno Chaffee Zoo and functions separately from the Authority, operating on a calendar year basis (ending December 31). The Authority's oversight of FCZC extends only to the administration of Measure Z funds.

During fiscal year ended June 30, 2019, disbursements totaling \$12,551,247 were made to FCZC: \$5,046,122 for operations and \$7,505,125 for capital projects.

Undistributed sales tax revenue net of expenses incurred during the fiscal year are classified as "net position held in trust" in the statement of fiduciary net position. The balance reported at June 30, 2019, was as follows:

| <b>Held in Trust For:</b> |               |
|---------------------------|---------------|
| Operations                | \$ 8,048,419  |
| Capital projects          | 36,113,601    |
| Total                     | \$ 44,162,020 |

### **NOTE 5 – LIABILITIES**

Liabilities of the Authority totaled \$11,528 at June 30, 2019. This amount primarily consisted of expenses related to professional and specialized services provided by the County of Fresno.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6 - FUND BALANCE

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Authority is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable-** Amounts that are not in spendable form (such as inventory) or are required either legally or contractually to be maintained intact.
- **Restricted-** Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional or enabling legislation.
- **Committed-** Amounts constrained to specific purposes by the Authority itself, using the Authority's highest level of decision-making authority (the Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the Authority takes the same highest level action to remove or change the constraint. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned-** Amounts the Authority *intends* to use for a specific purpose. Intent can be expressed by the Authority at either the highest level of decision-making authority or by an official or body to which the Authority delegates the authority. This is also the classification for residual funds.
- **Unassigned-** The residual classification for the Authority's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Authority establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved construction contracts. Assigned fund balance is established by the Authority through adoption or amendment of the budget or future year budget plan as intended for a specific purpose.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, followed by the unrestricted committed, assigned and unassigned resources as they are needed.

The Authority's General Fund balance of \$1,796,266 is considered restricted. This is because the monies are derived from Measure Z and are required to be spent in a manner that is consistent with the limitations placed on its use.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 7 – RECENTLY RELEASED STANDARDS BY GASB

During the fiscal year ending June 30, 2019, the Authority implemented the following standards:

**GASB Statement No. 83** – *Certain Asset Retirement Obligations*. The requirements of this statement are effective for periods beginning after June 15, 2018. The Authority has determined the implementation of GASB Statement No. 83 has no effect on the basic financial statements.

**GASB Statement No. 88** – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The provisions of GASB Statement No. 88 are effective for financial statements beginning after June 15, 2018. The Authority has determined the implementation of GASB Statement No. 88 has no effect on the basic financial statements.

Recently released GASB standards affecting future years are as follows:

**GASB Statement No. 84** – *Fiduciary Activities*. The requirements of this statement are effective for periods beginning after December 15, 2018. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

**GASB Statement No. 87** – *Leases*. The requirements of this statement are effective for periods beginning after December 15, 2019. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

**GASB Statement No. 89** – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The provisions of GASB Statement No. 89 are effective for financial statements beginning after December 15, 2019. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

**GASB Statement No. 90** – *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The provisions of GASB Statement No. 90 are effective for financial statements beginning after December 15, 2018. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

**GASB Statement No. 91** – *Conduit Debt Obligations*. The provisions of GASB Statement No. 91 are effective for financial statements beginning after December 15, 2020. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

### NOTE 8 – SUBSEQUENT EVENTS

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the basic financial statements. Events were considered through December 5, 2019, which is the date of issuance of the Authority's independent auditor's report. The Authority identified no subsequent events that required disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Other than MD&A)**

**FRESNO COUNTY ZOO AUTHORITY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2019**

|  | <u>Budgeted Amounts</u> |                  | Actual<br>Amounts   | Variance<br>with Final<br>Budget |
|--|-------------------------|------------------|---------------------|----------------------------------|
|  | Original                | Final            |                     |                                  |
| <b>Resources:</b>                      |                         |                  |                     |                                  |
| Sales tax                              | \$ 266,901              | \$ 266,901       | \$ 289,662          | \$ 22,761                        |
| Interest                               | 12,500                  | 12,500           | 36,797              | 24,297                           |
| <b>Total resources</b>                 | <u>279,401</u>          | <u>279,401</u>   | <u>326,459</u>      | <u>47,058</u>                    |
| <b>Charges to appropriations:</b>      |                         |                  |                     |                                  |
| Current:                               |                         |                  |                     |                                  |
| Office expenses                        | 6,000                   | 6,000            | 66                  | 5,934                            |
| Professional and specialized services  | 196,869                 | 196,869          | 123,946             | 72,923                           |
| Postage                                | 1,000                   | 1,000            | 235                 | 765                              |
| Data processing services               | 1,500                   | 1,500            | -                   | 1,500                            |
| Memberships                            | 500                     | 500              | -                   | 500                              |
| Transportation, travel, and education  | 2,500                   | 2,500            | -                   | 2,500                            |
| Publications and legal notices         | 500                     | 500              | -                   | 500                              |
| Telephone                              | 250                     | 250              | -                   | 250                              |
| PeopleSoft charges                     | 800                     | 800              | 706                 | 94                               |
| Contingencies                          | -                       | -                | -                   | -                                |
| <b>Total charges to appropriations</b> | <u>209,919</u>          | <u>209,919</u>   | <u>124,953</u>      | <u>84,966</u>                    |
| Change in net position                 | <u>\$ 69,482</u>        | <u>\$ 69,482</u> | 201,506             | <u>\$ 132,024</u>                |
| <b>NET POSITION</b>                    |                         |                  |                     |                                  |
| Net position - beginning               |                         |                  | <u>1,594,760</u>    |                                  |
| Net position - ending                  |                         |                  | <u>\$ 1,796,266</u> |                                  |

The accompanying notes are an integral part of this schedule.

**NOTE TO BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**Budgets and Budgetary Data**

The Authority adopts a legal annual operating budget for its General Fund. All budget transfers and expenditures are approved by the Authority's Board of Directors or by the Authority Administrator prior to disbursement. The legal level of budgetary control is at the object level. The final budget revenue and expenditure amounts represent the original budget modified by any amendments and adjustments that have occurred during the year. The Authority uses an encumbrance system as an extension of normal budgetary accounting. Under the encumbrance system, the expenditure of monies is encumbered in order to reserve that portion of applicable appropriations. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end; encumbered appropriations at year-end are carried forward in the ensuing new fiscal year's budget but are kept separate from the new fiscal year's budget. The encumbrances are reported as prior budget year appropriations on all financial reports but are available for expenditure in the new fiscal year.

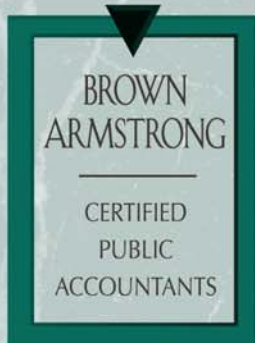
A budgetary comparison schedule for the General Fund is presented on Page 24. Its purpose is to demonstrate compliance with the approved budget for fiscal year 2018-2019. Actual expenditures appearing on the schedule are presented using the accrual basis of accounting.

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**OTHER AUDITOR'S REPORT**

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# BROWN ARMSTRONG

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Fresno County Zoo Authority  
Fresno, California

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of Fresno County Zoo Authority (the Authority), as of and for the year ended June 30, 2019, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 5, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 5, 2019



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DATE: February 5, 2020

TO: Fresno County Zoo Authority Board

FROM: Ronald Alexander, Zoo Authority Board Coordinator

SUBJECT: Execute Engagement Letter from Moss Adams

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**RECOMMENDED ACTION:**

Approve and authorize the Chairman to execute annual engagement letter on applying agreed-upon procedures from Moss Adams, the Zoo Corporation's outside auditor, for the Zoo Corporation's audit report period.

**DISCUSSION:**

Moss Adams states that the audit procedures to be performed are specified by the Zoo Authority (the specified party) within the Fresno County Zoo Authority Procedures for Approving and Administering Measure Z Funds, but the records are held with the Zoo Corporation (the responsible party). Moss Adams' professional standards require both parties, the Zoo Corporation and the Zoo Authority, sign this letter to confirm that both parties agree on what is to be performed.

The Zoo Authority procedures state that the audit report, related financial statements, and the "Independent Accountant's Report on Agreed-Upon Procedures" issued by the independent auditor shall be received by the Authority no later than June 30th of the year following the end of the ZooCorp fiscal year. As Authority or ZooCorp business warrants, the Authority may choose to hear the report presentation by June 30th, or at their next meeting. At least 15 days prior to the meeting, ZooCorp shall provide a copy of the audit presentation for the Authority's meeting agenda, and the Administrator will post a notice of the presentation to the Authority's website.



MOSSADAMS

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970 W. Alluvial Avenue  
Fresno, CA 93711

December 11, 2019

Scott Barton, CEO  
Fresno's Chaffee Zoo Corporation  
894 W. Belmont Avenue  
Fresno, CA 93728

Michelle Roman, Chairman  
Fresno County Zoo Authority  
7772 North Palm Avenue  
Fresno, CA 93711

Dear Fresno's Chaffee Zoo Corporation and Fresno County Zoo Authority:

This engagement letter and Schedule of Agreed-Upon-Procedures attached hereto (collectively, "Engagement Letter") and the attached Professional Services Agreement, which is incorporated herein by this reference, represent the entire agreement (the "Agreement") and confirm our understanding of the terms and objectives of our engagement, and limitations of the services Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to Fresno's Chaffee Zoo Corporation ("you," "your," and "Company"). This engagement is solely to assist you and the Fresno County Zoo Authority (the "Authority") in the evaluation of the Company's compliance with the use and accounting of Measure Z funds. Collectively, the Company and the Authority shall be referred to as the "Parties".

In this engagement, we will apply the agreed-upon procedures listed in the attached Schedule of Agreed-Upon Procedures (the "Schedule") to the underlying records and schedules of Fresno's Chaffee Zoo Corporation for the period ending December 31, 2019, prepared in accordance with accounting principles generally accepted in the United States of America. When we complete our work, we will issue a report setting forth the agreed-upon procedures and our findings. This report is intended solely for the use of the Parties, and should not be used by anyone other than the Parties.

The Parties acknowledge that they specified the agreed-upon procedures, and they are solely responsible for the sufficiency of the procedures. We will not evaluate the agreed-upon procedures to determine if they are appropriate for the Parties' purposes. Consequently, we make no representation regarding the sufficiency of the agreed-upon procedures either for the purpose of this engagement or for any other purpose.

In addition, because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion on the underlying records and schedules of Fresno's Chaffee Zoo Corporation or the Company's compliance with the use and accounting of Measure Z funds. Moreover, we have no obligation to perform any procedures beyond those listed in the attached Schedule. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Our engagement to apply the agreed-upon procedures will be performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants. If, for any reason, we are unable to complete the agreed-upon procedures, we will either describe any restrictions on the performance of the agreed-upon procedures in our report, or we will not issue a report.

### **Timing**

Erin M. Goldfarb is responsible for supervising the engagement and authorizing the signing of our report. We expect to begin performing the agreed-upon procedures immediately, complete fieldwork on approximately January 31, 2020 and issue our report no later than June 30, 2020.

Our scheduling is based on you providing supporting schedules for selections and responses to all follow-up inquiries and requests. Efficient use of our staff benefits both you and Moss Adams, allowing for timely completion of our work. We may experience delays in completing our services due to your staff's unavailability or delays in you providing supporting schedules for selections and responses to all follow-up inquiries and requests. We will work with you to coordinate completion of our work, realizing that any such delays will also delay completion of our work and the delivery of our work product. You understand our fees are subject to adjustment if we experience these delays in completing our services. Our services will be concluded upon delivery to you of our report on these agreed-upon procedures.

### **Fees**

We estimate that our fees for these services will be \$4,000. You will also be billed for expenses.

The fee estimate is based on anticipated cooperation from your personnel, the expectation that the Company's records will be in good order, and the assumption that unexpected circumstances will not be encountered during the completion of the agreed-upon procedures. If we find that significant additional time is likely to be necessary, we will attempt to discuss it with you and arrive at a new fee estimate before we incur significant additional fees or expenses.

At the conclusion of our engagement, we will require a representation letter from management of Fresno's Chaffee Zoo Corporation that, among other things, will confirm management's responsibility that the underlying records and schedules of Fresno's Chaffee Zoo Corporation for the period ending December 31, 2019 is presented in accordance with accounting principles generally accepted in the United States of America.

You may specify changes to the scope or nature of the agreed-upon procedures. If this occurs, we will either amend the Schedule to address the change in agreed-upon procedures, or our report will reflect the changes.

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This Engagement Letter and the attached Professional Services Agreement constitute the entire Agreement and understanding between Moss Adams and the Parties. The Parties agree that in

entering into this Agreement they are not and have not relied upon any oral or other representation, promise or statement made by anyone which is not set forth herein.

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in this Agreement, please sign the enclosed copy of this Engagement Letter and return it to us with the Professional Services Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Erin M. Goldfarb". The signature is written in a cursive, flowing style.

Erin M. Goldfarb, Partner, for  
Moss Adams LLP

Enclosures

**Accepted and Agreed:**

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of the Parties with respect to this engagement and the services to be provided by Moss Adams LLP:

**By Fresno's Chaffee Zoo Corporation:**

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**By Fresno County Zoo Authority:**

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Client: #656184  
v. 7/30/2019

## Schedule of Agreed-Upon Procedures

### GENERAL

1. Obtain the general ledger (Measure Z GL Report) in excel format for the period January 1 – December 31, 2019 from the Fresno's Chaffee Zoo Corporation (Zoo Corporation) for GL 1-4150-00 (Measure Z Capital Income) and GL 1-4151-00 (Measure Z Operating Income). Foot the individual claim amounts for GL 1-4150-00 (Measure Z Capital Income) and GL 1-4151-00 (Measure Z Operating Income), respectively. Agree the footed totals to the totals listed as "Account Ending Balance" in the Measure Z GL Report.
2. Agree the totals listed as "Account Ending Balance" in the Measure Z GL Report for GL 1-4150-00 and GL 1-4151-00 to their respective account balances on the Zoo Corporation trial balance as of December 31, 2019.
3. Obtain all of the operations claims from the Fresno County Zoo Authority's (Zoo Authority) website (<https://www.zooauthority.org/Home/Documents>). For each claim that was made between January 1 – December 31, 2019, locate the "Disbursement Claim for Measure Z Funds" and agree the "Total Amount Requested" on the claim to the individual claim amount listed in GL 1-4151-00 on the Measure Z GL Report.
4. Obtain all of the capital projects claims from the Fresno County Zoo Authority's (Zoo Authority) website (<https://www.zooauthority.org/Home/Documents>). For each claim that was made between January 1 – December 31, 2019, locate the "Disbursement Claim for Measure Z Funds" and agree the "Total Amount Requested" on the claim to the individual claim amount listed in GL 1-4150-00 on the Measure Z GL Report.
5. After all operations and capital projects claims have been agreed to their respective GL accounts on the Measure Z GL Report, identify any amounts that did not agree to the respective claims per steps 3 and 4 above. Obtain supporting documentation for these amounts and describe the amount, nature, and source of these amounts.
6. Inquire of the Zoo Corporation's management if any operations or capital projects claims that were included as a Measure Z expenditure were also reimbursed by another entity or third-party and document their response. If the response is "yes", obtain supporting documentation for reimbursement. Compare supporting documentation from third party reimbursements to supporting documentation from Measure Z fund reimbursements. Identify reimbursements for operations or capital projects expenditures that were reimbursed by both Measure Z and a third party.

### OPERATIONS CLAIMS

7. Haphazardly select 75% of the number of operations claims obtained in Step 3. For each operations claim selected, perform the following:
  - a. Obtain the form titled "Disbursement Claim for Measure Z Funds" for the claim selected. Agree all of the amounts listed in the column titled "Amount Requested" to approved supporting documentation per Section 2.I.B.5. of the Zoo Authority Policies and Procedures.
  - b. Obtain the internally generated "Income Statement" report for the month and year listed in the "Invoice Date or Date Range" column of the "Disbursement Claim for



Measure Z Funds" form. Agree all of the amounts listed on the "Disbursement Claim for Measure Z Funds" form in the column titled "Amount Requested" to the "Measure Z" column within the "Income Statement" report.

- c. Obtain the "Measure Z Operational Reconciliation of Claims to Budget Spreadsheet" for the last claim of the year.
  - i. Agree the total of the column "Claim Total" to the total listed as "Account Ending Balance" in the Measure Z GL Report for GL 1-4151-00.
  - ii. Agree the total of the columns (listed by account name) to the disclosure of Measure Z financial activity for operation projects in the audited financial statements.

#### **CAPITAL PROJECTS CLAIMS**

8. Haphazardly select 75% of the number of capital projects claims obtained in Step 4. For each capital projects claim selected, perform the following:
  - a. Obtain the form titled "Disbursement Claim for Measure Z Funds" for the claim selected. Agree all of the amounts listed in the column titled "Amount Requested" to approved supporting documentation per Section 2.II.C.5. of the Zoo Authority Policies and Procedures.
  - b. Obtain the "Measure Z Capital Claims Spreadsheet" for the claim selected. Agree all of the amounts listed on the "Disbursement Claim for Measure Z Funds" form in the column titled "Amount Requested" to the "Claim Total" column within the "Measure Z Capital Claims Spreadsheet".
  - c. Obtain the "Measure Z Capital Claims Spreadsheet" for the last claim of the year.
    - i. Agree the total of the column "Claim Total" to the total listed as "Account Ending Balance" in the Measure Z GL Report for GL 1-4150-00.
    - ii. Agree the total of the columns (listed by project) to the disclosure of Measure Z financial activity for capital projects in the audited financial statements.

## **PROFESSIONAL SERVICES AGREEMENT**

### **Agreed Upon Procedures**

This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services to be provided to the Company by Moss Adams. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

#### **Fees and Expenses**

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. The Company will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. The Parties acknowledge and agree that in the event we stop work or terminate this Agreement as a result of the Company's failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to the Parties for any damages that occur as a result of our ceasing to render services.

#### **Use of Report**

The Parties may not disclose or distribute our report to any third parties without our prior written consent. You agree to indemnify and hold harmless Moss Adams and its personnel from any and all claims, liabilities, costs and expenses (including, without limitation, reasonable attorney fees) arising from the unauthorized distribution of our report or its content by the Parties, or any third party who obtains the report or access to its contents either directly or indirectly from the Parties.

#### **Release and Indemnification**

Because of the importance of oral and written management representations to an effective engagement, you agree to release and indemnify Moss Adams and its personnel from any and all claims, liabilities, costs and expenses attributable to any knowing misrepresentation by management.

#### **Subpoena or Other Release of Documents**

As a result of our services to you, we may be required or requested to provide information or documents to a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

#### **Document Retention Policy**

At the conclusion of this engagement, we will return all original records to the party that supplied them to us. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for the Parties' own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify the Parties regarding the destruction of our records. We reserve the right to modify the retention period without notifying the Parties. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

#### **Use of Electronic Communication**

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you

consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

#### **Use of Third-Party Service Providers**

We may use third-party service providers in serving you. In such circumstances, if we need to share confidential information with these service providers, we will require that they maintain the confidentiality of your information.

#### **Enforceability**

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

#### **Entire Agreement**

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the Parties. The Parties agree that in entering into this Agreement they have not relied upon any oral or other representations, promises, or statements made by anyone which is not set forth herein.

#### **Use of Moss Adams' Name**

The Company may not use any of Moss Adams' name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

#### **Limitation on Liability**

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

#### **Dispute Resolution Procedure, Venue and Limitation Period**

This Agreement shall be governed by the laws of the state of Washington, without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

If the claim or dispute cannot be settled through mediation, each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in King County, state of Washington, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

#### **Termination**

This Agreement may be terminated by any party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination: (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services.

#### **Use of Nonlicensed Personnel**

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

#### **Hiring of Employees**

Any offer of employment to members of the engagement team prior to issuance of our report may impair our independence, and as a result, may result in our inability to complete the engagement and issue a report.