



FRESNO COUNTY ZOO AUTHORITY

AGENDA

9:00 AM, Wednesday, July 28, 2021

To Be Held Via Zoom

Fresno County Employees' Retirement Association
7772 N. Palm Ave.
Fresno, CA 93711
(559) 457-0681

SPECIAL NOTICE REGARDING PUBLIC PARTICIPATION DUE TO COVID-19

Due to the current Shelter-in-Place Order covering the State of California and Social Distance Guidelines issued by Federal, State, and Local Authorities, the Zoo Authority is implementing the following changes for attendance and public comment at all Board meetings until notified otherwise. The Board room will not be open to the public. Any member of the Zoo Authority Board may participate from a remote location by teleconference.

The meeting will be a Zoom meeting and can be accessed at:

<https://us06web.zoom.us/j/86452563619?pwd=ZitOWVQ3amFpVFI3Y0ZXSk15dFI3QT09>

Meeting ID: 864 5256 3619

Passcode: 615522

One tap mobile

+16699006833,,86452563619# US (San Jose)

+13462487799,,86452563619# US (Houston)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 253 215 8782 US (Tacoma)

+1 929 436 2866 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 864 5256 3619

Find your local number: <https://us06web.zoom.us/j/86452563619>

Written Comments

- **Members of the public are encouraged to submit written comments to: ZooAuthority@co.fresno.ca.us. Comments should be submitted as soon as possible but not later than 15 minutes before start of meeting. You will need to provide the following information:**
 - **Board Meeting Date**
 - **Item Number**
 - **Comment (please limit to 250 words or less)**
- **Please submit a separate e-mail for each item you are commenting on.**
- **Please be aware that public comments received that do not specify a particular agenda item will be made part of the record of proceedings as a general public comment.**
- **If a written comment is received after the start of the meeting it will be made part of the record of proceedings, provided that such comments are received prior to the end of the Board meeting.**
- **Written comments will be provided to the Board members. Comments received during the meeting may not be distributed to Board members until after the meeting has concluded.**

1. Call to Order

2. Roll Call

3. Approve Agenda

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 June 30, 2021

b. Review and approve payment of County of Fresno invoice for Professional and Specialized Services in the amount of \$2,232.99 for services through June 2021

c. Receive Treasurer's Reports for May, June and Quarter ended June 2021

6. Receive Fresno Chaffee Zoo Director's report
7. Receive Fresno Chaffee Zoo Corporation May 2021 Year-to-Date Financial Report and June 2021 Early Insights
8. Receive Fresno Chaffee Zoo Corporation 2020 Annual Audit from Moss Adams
9. Approve Fresno Chaffee Zoo Corporation's request for Measure Z Capital funds totaling \$248,347 for design through construction documents for modifications to the Greater One Horned Rhino Exhibit located within the Kingdoms of Asia Project
10. Approve next meeting date

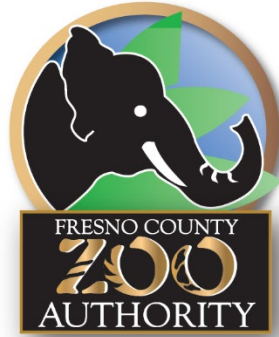
Dates include:

Wednesday, August 25, 2021
Wednesday, September 29, 2021
Wednesday, October 27, 2021

11. Receive staff reports
12. Chair's comments
13. Board Member comments
14. 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, or visit 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, June 30, 2021

Meeting held via Zoom

**Fresno County Employees' Retirement Association
7772 N. Palm Ave.
Fresno, CA 93711
(559) 457-0681**

1. Call to Order
CHAIRMAN TOSTE CALLED THE MEETING TO ORDER AT 9:00 AM.
2. Roll Call
A QUORUM WAS PRESENT WITH MEMBERS TOSTE, GARABEDIAN, ROMAN AND WATERHOUSE PRESENT.
3. Approve Agenda
MEMBER GARABEDIAN MOVED TO ADOPT THE AGENDA SECONDED BY MEMBER WATERHOUSE. THE MOTION PASSED UNANIMOUSLY.
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.
HELD. NONE RECEIVED.
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 March 31, 2021
- b. Review and approve payment of County of Fresno invoice for Professional and Specialized Services in the amount of \$27,498.49 for services through May 2021
- c. Receive Treasurer's Reports for Quarter ended March and April 2021

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

6. Receive Fresno Chaffee Zoo Director's report
RECEIVED. DIRECTOR JON DOHLIN REPORTED ON CURRENT PROJECTS. AMBASSADOR ANIMAL COMPLEX IS NEARING COMPLETION WITH RIBBON CUTTING SCHEDULED FOR JULY 7, 2021. ZOOPLEX SCHEDULE IS ON SCHEDULE. KINGDOM OF ASIA IS COMING ALONG NICELY AND ON TARGET. OVERALL ZOO NEWS: REPORT ON BLOCK OF 9,000 TICKETS FOR AT-RISK OR UNDER PRIVILEGED YOUTH ON TUESDAYS; ATTENDANCE IS RUNNING OVER BUDGETED NUMBERS; SUMMER CAMP NUMBERS HAVE INCREASED; AND REPORTED ON ROAR AND POOR EVENT ON JUNE 25, 2021. DIRECTOR DOHLIN REPORT THAT HE WAS APPOINTED BY MAYOR JERRY DYER TO BE A MEMBER OF THE PARKS COMMISSION (OVERSITE OF MEASURE P). AMOS MORRIS, CHIEF OPERATING OFFICER AND DEPUTY DIRECTOR HAS TAKEN A POSITION WITH THE MILWAUKEE COUNTY ZOO. DISCUSSED HANDLING OF HEAT SITUATIONS AT ZOO. AS OF JUNE 15, 2021, WITH THE GOVERNORS ANNOUNCEMENT CAPACITY LIMITS WERE LIFTED.
7. Receive Fresno Chaffee Zoo Corporation April 2021 Year-to-Date Financial Report and May 2021 Early Insights
RECEIVED. INTERIM CFO NORA CROW REPORTED ON APRIL 2021 REVENUES AND EXPENDITURES. FOR MAY 2021, EXPENSES ARE ANTICIPATED TO BE COVERED FROM THE PPP LOAN #2. EVALUATING WHETHER TO SUBMIT LOAN FORGIVENESS APPLICATION FOR PPP #2 LOAN AT THIS TIME. COMPARING BUDGET WITH 2019 VS. 2020. DUE TO THE SHUT DOWN, 2020 FIGURES ARE NO LONGER COMPARABLE. REVENUE AND EXPENSES REPORTED. DISCUSSED COMPLETING A BUDGET REFORECAST MID-YEAR TO ADJUST BUDGET FOR THE LAST PART OF THE YEAR.
8. Approve and authorize the estimated revenues and appropriations for the FY 2021-22 budget year
TREASURER VANG REPORTED ON BUDGET. FOLLOWING DISCUSSION, MEMBER WATERHOUSE MOVED FOR APPROVAL. SECONDED BY MEMBER GARABEDIAN. THE MOTION PASSED UNANIMOUSLY.
9. Approve next meeting date

Dates include:

Wednesday, July 28, 2021
Wednesday, August 25, 2021
Wednesday, September 29, 2021

LEFT SCHEDULE AS IS. NO VOTE REQUIRED GIVEN THE CALENDAR WAS ALREADY APPROVED THE BEGINNING OF THE YEAR.

10. Receive staff reports
HELD; NONE RECEIVED.

11. Chair's comments
HELD; NONE RECEIVED.
12. Board Member comments
HELD; NONE RECEIVED.
13. Adjourn
**THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN TOSTE
ADJOURNED THE MEETING AT 9:47 AM.**

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, or visit 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 June 2021

Invoice Number
01-ZOO-72821

July 28, 2021

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

Department / Title	Hours	Rates	Cost
<i>ACTTC FR&A</i>			
<i>Accounting & Finance Div Chief</i>		\$92.49	\$0.00
<i>Accounting & Finance Manager</i>	2.85	\$91.80	\$261.63
<i>Accountant II</i>	6.36	\$74.80	\$475.73
<i>Accountant I</i>	14.14	\$62.78	\$887.71
<i>Account Clerk I</i>	2.00	\$48.46	\$96.92
<i>Account Clerk II</i>		\$56.16	\$0.00
<i>County Counsel</i>			
<i>Deputy County Counsel</i>	2.40	\$141.00	\$338.40
<i>Clerk of the Board of Supervisor</i>			
<i>Deputy Clerk</i>	2.50	\$69.04	\$172.60
<i>CAO</i>			
<i>Board Coordinator</i>		\$130.52	\$0.00
Professional Services Total	30.25		\$2,232.99
Office Expense Total			\$0.00
Invoice Total			\$2,232.99



Invoice

Invoice Date	Invoice Number	Due Date
7/12/2021	2231	7/23/2021
MAKE YOUR REMITTANCE PAYABLE TO:		
FRESNO COUNTY TREASURER		
AND SEND IT TO THE FOLLOWING ADDRESS:		
Oscar J. Garcia, CPA AUDITOR-CONTROLLER/TREASURER TAX COLLECTOR - ADMINISTRATION DIVISION		
PO BOX 1247 FRESNO, CA 93715-1247		

FOR COUNTY USE ONLY				
ACCOUNT	FUND	ORG	PROGRAM	SUBCLASS
4885	0001	0300	0	10000
BILL TO:				
Zoo Authority Email to: ronalexander@fresnocountyca.gov				

PLEASE INCLUDE THE INVOICE NUMBER ON YOUR CHECK OR MONEY ORDER

DESCRIPTION	AMOUNT
ACTTC FR&A (04100300)	
FR&A Accounting Services for pay period ending 6/13/2021	\$ 1,035.33
FR&A Accounting Services for pay period ending 6/27/2021	\$ 686.66
CURRENT AMOUNT DUE	
Total Balance Due	\$ 1,721.99

X
7/9/21

Statement

Date: June 29, 2021

Invoice # 20-26

FRESNO COUNTY COUNSEL
 2220 Tulare Street, Suite 500
 Fresno, CA 93721

Bill to: Zoo Authority
 VIA Email to Ron Alexander

Comments:

Date	Description	Balance	Amount		
6/29/21	Invoice# 20-26 Billing for Professional Services for 5/31/21-6/27/21		\$ 338.40		
	PAST DUE:				
4/13/21	Invoice# 20-23 Billing for Professional Services for 3/8/21-4/4/21		\$ 606.30		
			\$ -		
			\$ -		
			\$ -		
			\$ -		
			\$ -		
			\$ -		
			\$ -		
PLEASE EMAIL COPY OF JV TO jmontoya@fresnocountyca.gov					
Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
	\$944.70				\$944.70

Remittance	
Invoice #	20-26
Date	
Amount Due	\$944.70
Amount Enclosed	

Make all checks payable to Fresno County Counsel
 2220 Tulare Street, Suite 500, Fresno, CA 93721 Ph# 559/600-3479

Clerk of the Board of Supervisors

INVOICE

2281 Tulare Street
Hall of Records, Room 301
Fresno, CA 63721
Phone (559) 600-3529 Fax (559) 600-1608

DATE : JULY 2, 2021

TO:
Fresno Zoo Authority
2281 Tulare St. Rm 304
Fresno, CA 93721

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	Preparation of the June 29, 2021 Zoo Authority minutes (2.5 hours)	69.04	172.60
TOTAL DUE			\$ 172.60

Make all checks payable to Fresno County – Clerk of the Board of Supervisors
If you have any questions concerning this invoice, contact Bernice Seidel, 600-3529

PLEASE RETURN COPY WITH PAYMENT. THANK YOU.

AGENDA ITEM 5c



Fresno County Zoo Authority Treasurer's Report Unaudited Cash Basis For the Month Ended May 31, 2021

Summary of Measure Z Proceeds			
Tax Proceeds Received:			
-	Measure Z - Sales Tax Proceeds	\$	1,632,214.04
	Total Proceeds Received:	\$	1,632,214.04
Tax Proceeds Allocated:			
-	Allocation to Zoo Authority Fund (2%)	\$	32,644.28
-	Allocation to Trust Fund for Operations and Capital Projects (98%)		1,599,569.76
	Total Proceed Allocations	\$	1,632,214.04
Cash Balance by Fund			
Zoo Authority Fund	>> Administrative Fund	2%	
	Beginning Cash Balance	\$	2,269,807.44
Receipts:	- Measure Z Sales Tax Proceeds		32,644.28
	- PeopleSoft Financial Charges		(41.80)
	Net Increase/(Decrease) to Cash		32,602.48
	Ending Cash Balance - Zoo Authority Administrative Fund	\$	2,302,409.92
Trust Fund for FCZC Operations and Capital Projects	98%		
	Beginning Cash Balance	\$	48,949,408.12
	>>> Operations Fund		
	Beginning Cash Balance		6,172,266.26
Receipts:	- Measure Z Sales Tax Proceeds		533,189.92
	- FCZC Operations Claim #2020-03		(92,638.33)
	- Wire Fees		(20.00)
	Net Increase/(Decrease) to Cash		440,531.59
	Ending Cash Balance - Available for Operations	\$	6,612,797.85
	>>> Capital Facilities Project Fund		
	Beginning Cash Balance	\$	42,777,141.86
Receipts:	- Measure Z Sales Tax Proceeds		1,066,379.84
	- FCZC Capital Claim #2021-02C		(2,359,926.13)
	Net Increase/(Decrease) to Cash		(1,293,546.29)
	Ending Cash Balance - Available for Capital Projects		41,483,595.57
	Ending Balance Available for Operations and Capital Projects	\$	48,096,393.42
	<i>Total Interest Received During the Month</i>		-

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 1.476 as of March 31, 2021.



Fresno County Zoo Authority

SUMMARY OF MEASURE Z SALES TAX PROCEEDS

	PRIOR FISCAL YEARS			CURRENT FISCAL YEAR			
	2017-2018	2018-2019	2019-2020	2020-21			
	ACTUAL TAX RECEIPTS	ACTUAL TAX RECEIPTS	ACTUAL TAX RECEIPTS	BUDGETED TAX RECEIPTS	ACTUAL TAX RECEIPTS	BUDGET TO ACTUAL VARIANCE	
July	\$ 930,800	\$ 1,227,435	\$ 1,436,673	\$ 1,479,773	\$ 1,493,025	\$ 13,252	0.90%
August	1,241,000	928,052	1,123,640	1,089,931	1,669,386	579,455	53.16%
September	1,391,154	1,171,132	1,367,439	1,353,765	1,417,789	64,024	4.73%
October	933,300	1,619,199	1,571,111	1,618,244	1,609,453	(8,791)	-0.54%
November	1,244,400	1,531,072	1,073,344	1,105,544	1,437,716	332,172	30.05%
December	1,452,570	1,392,262	1,194,027	1,182,087	1,302,722	120,635	10.21%
January	951,900	1,345,542	1,263,406	1,301,308	1,388,858	87,550	6.73%
February	1,269,200	1,118,789	1,707,967	1,690,887	1,728,158	37,271	2.20%
March	1,420,604	1,327,543	1,063,584	1,052,948	1,292,553	239,605	22.76%
April	865,400	1,318,821	1,031,402	1,062,344	1,513,199	450,855	42.44%
May	1,512,737	868,850	989,444	885,966	1,632,214	746,248	84.23%
June	1,103,925	1,263,124	1,105,857	1,262,998			
Total	<u>\$ 14,316,990</u>	<u>\$ 15,111,821</u>	<u>\$ 14,927,894</u>	<u>\$ 15,085,795</u>	<u>\$ 16,485,073</u>	<u>\$ 2,662,276</u>	<u>17.65%</u>

TOTAL MEASURE Z PROCEEDS FROM INCEPTION \$ 199,849,098



**Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Month Ended May 31, 2021**

Summary of Quarterly Interest Receipts											
Fund	Subclass	Description	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total Interest
			1st Alloc.	2nd Alloc.	1st Alloc.	2nd Alloc.	1st Alloc.	2nd Alloc.	1st Alloc.	2nd Alloc.	
Date Received			7/21/2020	9/22/2020	10/19/2020	12/28/2020	1/20/2021	3/29/2021	4/19/2021	N/A	
4845	10000	Zoo Authority	700.56	9,022.15	743.23	8,253.37	705.83	7,576.32	697.76	-	\$ 27,699.22
4850	10000	FCZC - Operations	2,559.50	32,962.71	2,759.82	30,647.10	2,502.89	26,865.80	2,035.84	-	\$ 100,333.66
4850	42700	FCZC - CP	15,397.47	198,297.38	16,731.60	185,799.97	15,632.97	167,803.08	13,933.44	-	\$ 613,595.91
Total			\$ 18,657.53	\$ 240,282.24	\$ 20,234.65	\$ 224,700.44	\$ 18,841.69	\$ 202,245.20	\$ 16,667.04	\$ -	\$ 741,628.79

For Fiscal Year Ending June 30, 2021



**Fresno County Zoo Authority
Capital Projects Fund Cash Flow
For the Month Ended May 31, 2021**

Cash Balance as of 05/31/21		\$ 41,483,596
DEDUCTIONS (earmarked projects, FY20-21 expenditures paid through claim 2021-03C):		
Zooplex Construction - June 2020	8,832,016	
Ambassador Animal building Construction - June 2020	813,799	
Asia Construction -July 2020	31,200,526	
South Corridor Infrastructure - February 2018	153,168	
Asian Design - December 2017	1,268,285	
Zooplex Design- August 2017	297,524	
Ambassador Animal Building Design - August 2017	36,927	
Orangutan Exhibit - May 2017	1	
African River - June 2016	2,830,346	
Total Deductions:		<u>\$ (45,432,592)</u>
TOTAL:		<u>\$ (3,948,996)</u>



**Fresno County Zoo Authority
Operations Fund Cash Flow
For the Month Ended May 31, 2021**

Cash Balance as of 05/31/21 **\$ 6,612,798**

DEDUCTIONS (Remaining budgets, paid through claim 2021-03):

Marketing	436
Animal	2,135,316
Veterinary	257,896
Utilities	369,794
Animal Feed	343,312
Interest/Bank Charges	(80)
Maintenance-General Equipment	32,339
Maint.-Water/Water Standby	73,552
Visitor Services	414,000
Maintenance	419,000
Education	386,000
Maintenance-Buildings & Ground	73,000
Medical, Dental & Lab Supplies	52,865
Total Deductions:	<u>\$ (4,557,430)</u>

TOTAL: **\$ 2,055,368**



**Fresno County Zoo Authority
Administration Fund Cash Flow
For the Month Ended May 31, 2021**

Cash Balance as of 05/31/21 \$ 2,302,410

DEDUCTIONS

(FY 20-21 Remaining budgets, paid through claim ZA Claim May 2021):

Telephone Charges	250
Memberships	500
Office Expense	6,000
Postage	1,000
PeopleSoft Financials Charges	261
Professional & Specialized Ser	84,991
Data Processing Services	1,500
Publications & Legal Notices	500
Trans, Travel & Education	2,500

Total Deductions:

\$ (97,502)

TOTAL:

\$ 2,204,908



**Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Month Ended June 30, 2021**

Summary of Measure Z Proceeds			
Tax Proceeds Received:			
-	Measure Z - Sales Tax Proceeds	\$	1,682,041.97
	Total Proceeds Received:	\$	1,682,041.97
Tax Proceeds Allocated:			
-	Allocation to Zoo Authority Fund (2%)	\$	33,640.84
-	Allocation to Trust Fund for Operations and Capital Projects (98%)		1,648,401.13
	Total Proceed Allocations	\$	1,682,041.97
Cash Balance by Fund			
Zoo Authority Fund >> Administrative Fund 2%			
	Beginning Cash Balance	\$	2,302,409.92
Receipts:	- Measure Z Sales Tax Proceeds		33,640.84
Disbursements:	- Interest Received		7,278.66
	ZA Staff Invoice Reimbursement for Professional Services		(27,498.49)
	- PeopleSoft Financial Charges		(51.30)
	Net Increase/(Decrease) to Cash		13,369.71
	Ending Cash Balance - Zoo Authority Administrative Fund	\$	2,315,779.63
Trust Fund for FCZC Operations and Capital Projects 98%			
	Beginning Cash Balance	\$	48,096,393.42
>>> Operations Fund			
	Beginning Cash Balance		6,612,797.85
Receipts:	- Measure Z Sales Tax Proceeds		549,467.04
Disbursements:	- Interest Received		21,236.76
	- FCZC Operations Claim #2021-04		(62,034.24)
	- Wire Fees		(30.00)
	Net Increase/(Decrease) to Cash		508,639.56
	Ending Cash Balance - Available for Operations	\$	7,121,437.41
>>> Capital Facilities Project Fund			
	Beginning Cash Balance	\$	41,483,595.57
Receipts:	- Measure Z Sales Tax Proceeds		1,098,934.09
Disbursements:	- Interest Received		145,346.22
	- FCZC Capital Claim #2021-03C		(2,362,423.86)
	- FCZC Capital Claim #2021-04C		(2,131,144.80)
	Net Increase/(Decrease) to Cash		(3,249,288.35)
	Ending Cash Balance - Available for Capital Projects		38,234,307.22
	Ending Balance Available for Operations and Capital Projects	\$	45,355,744.63
	Total Interest Received During the Month		173,861.64

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 1.476 as of March 31, 2021.



Fresno County Zoo Authority

SUMMARY OF MEASURE Z SALES TAX PROCEEDS

	PRIOR FISCAL YEARS			CURRENT FISCAL YEAR			
	2017-2018	2018-2019	2019-2020	2020-21			
	ACTUAL TAX RECEIPTS	ACTUAL TAX RECEIPTS	ACTUAL TAX RECEIPTS	BUDGETED TAX RECEIPTS	ACTUAL TAX RECEIPTS	BUDGET TO ACTUAL VARIANCE	
July	\$ 930,800	\$ 1,227,435	\$ 1,436,673	\$ 1,479,773	\$ 1,493,025	\$ 13,252	0.90%
August	1,241,000	928,052	1,123,640	1,089,931	1,669,386	579,455	53.16%
September	1,391,154	1,171,132	1,367,439	1,353,765	1,417,789	64,024	4.73%
October	933,300	1,619,199	1,571,111	1,618,244	1,609,453	(8,791)	-0.54%
November	1,244,400	1,531,072	1,073,344	1,105,544	1,437,716	332,172	30.05%
December	1,452,570	1,392,262	1,194,027	1,182,087	1,302,722	120,635	10.21%
January	951,900	1,345,542	1,263,406	1,301,308	1,388,858	87,550	6.73%
February	1,269,200	1,118,789	1,707,967	1,690,887	1,728,158	37,271	2.20%
March	1,420,604	1,327,543	1,063,584	1,052,948	1,292,553	239,605	22.76%
April	865,400	1,318,821	1,031,402	1,062,344	1,513,199	450,855	42.44%
May	1,512,737	868,850	989,444	885,966	1,632,214	746,248	84.23%
June	1,103,925	1,263,124	1,105,857	1,262,998	1,682,042	419,044	33.18%
Total	\$ 14,316,990	\$ 15,111,821	\$ 14,927,894	\$ 15,085,795	\$ 18,167,115	\$ 3,081,320	20.43%

TOTAL MEASURE Z PROCEEDS FROM INCEPTION \$ 201,531,140



**Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Month Ended June 30, 2021**

Summary of Quarterly Interest Receipts										
Fund Subclass	Description	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total Interest
		1st Alloc.	2nd Alloc.	1st Alloc.	2nd Alloc.	1st Alloc.	2nd Alloc.	1st Alloc.	2nd Alloc.	
Date Received		7/21/2020	9/22/2020	10/19/2020	12/28/2020	1/20/2021	3/29/2021	4/19/2021	N/A	
4845 10000	Zoo Authority	700.56	9,022.15	743.23	8,253.37	705.83	7,576.32	697.76	7,278.66	\$ 34,977.88
4850 10000	FCZC - Operations	2,559.50	32,962.71	2,759.82	30,647.10	2,502.89	26,865.80	2,035.84	21,236.76	\$ 121,570.42
4850 42700	FCZC - CP	15,397.47	198,297.38	16,731.60	185,799.97	15,632.97	167,803.08	13,933.44	145,346.22	\$ 758,942.13
Total		\$ 18,657.53	\$ 240,282.24	\$ 20,234.65	\$ 224,700.44	\$ 18,841.69	\$ 202,245.20	\$ 16,667.04	\$ 173,861.64	\$ 915,490.43

For Fiscal Year Ending June 30, 2021



**Fresno County Zoo Authority
Capital Projects Fund Cash Flow
For the Month Ended June 30, 2021**

Cash Balance as of 06/30/21		\$ 38,234,307
DEDUCTIONS (earmarked projects, FY20-21 expenditures paid through claim 2021-04C):		
Zooplex Construction - June 2020	8,161,875	
Ambassador Animal building Construction - June 2020	422,695	
Asia Construction -July 2020	29,972,343	
South Corridor Infrastructure - February 2018	153,168	
Asian Design - December 2017	1,208,871	
Zooplex Design- August 2017	289,842	
Ambassador Animal Building Design - August 2017	31,027	
Orangutan Exhibit - May 2017	1	
African River - June 2016	2,830,346	
Total Deductions:		<u>\$ (43,070,168)</u>
TOTAL:		<u>\$ (4,835,861)</u>



**Fresno County Zoo Authority
Operations Fund Cash Flow
For the Month Ended June 30, 2021**

Cash Balance as of 06/30/21 **\$ 7,121,437**

DEDUCTIONS (Remaining budgets, paid through claim 2021-04):

Marketing	436
Animal	2,135,316
Veterinary	257,896
Utilities	369,794
Animal Feed	315,576
Interest/Bank Charges	(100)
Maintenance-General Equipment	29,787
Maint.-Water/Water Standby	66,257
Visitor Services	414,000
Maintenance	419,000
Education	386,000
Maintenance-Buildings & Ground	22,640
Medical, Dental & Lab Supplies	48,171
Total Deductions:	<u>\$ (4,464,773)</u>

TOTAL: **\$ 2,656,664**



**Fresno County Zoo Authority
Administration Fund Cash Flow
For the Month Ended June 30, 2021**

Cash Balance as of 06/30/21 \$ 2,315,780

DEDUCTIONS

(FY 20-21 Remaining budgets, paid through claim ZA Claim June 2021):

Telephone Charges	250
Memberships	500
Office Expense	6,000
Postage	1,000
PeopleSoft Financials Charges	209
Professional & Specialized Ser	84,991
Data Processing Services	1,500
Publications & Legal Notices	500
Trans, Travel & Education	2,500

Total Deductions: \$ (97,450)

TOTAL: \$ 2,218,330



**Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Quarter Ended June 30, 2021**

Summary of Measure Z Proceeds			
Tax Proceeds Received:			
-	Measure Z - Sales Tax Proceeds	\$	4,827,454.78
		Total Proceeds Received:	\$ 4,827,454.78
Tax Proceeds Allocated:			
-	Allocation to Zoo Authority Fund (2%)		96,549.10
-	Allocation to Trust Fund for Operations and Capital Projects (98%)		4,730,905.68
		Total Proceed Allocations	\$ 4,827,454.78
Cash Balance by Fund			
Zoo Authority Fund >> Administrative Fund 2%			
		Beginning Cash Balance	\$ 2,242,691.50
Receipts:	- Measure Z Sales Tax Proceeds		96,549.10
	- Interest Received		7,976.42
Disbursements:	- PeopleSoft Financial Charges		(155.80)
	- ZA Staff Invoice Reimbursement for Professional Services		(27,498.49)
	- ZA Claim through February 2021		(3,783.10)
		Net Increase/(Decrease) to Cash	73,088.13
		Ending Cash Balance - Zoo Authority Administrative Fund	\$ 2,315,779.63
Trust Fund for FCZC Operations and Capital Projects 98%			
		Beginning Cash Balance	\$ 47,890,197.78
>>> Operations Fund			
		Beginning Cash Balance	6,115,612.55
Receipts:	- Measure Z Sales Tax Proceeds		1,576,968.56
	- Interest Received		23,272.60
Disbursements:	- FCZC Operations Claim #2021-02		(439,643.73)
	- FCZC Operations Claim #2021-03		(92,638.33)
	- FCZC Operations Claim #2021-04		(62,034.24)
	- Wire Fees		(100.00)
		Net Increase/(Decrease) to Cash	1,005,824.86
		Ending Cash Balance - Available for Operations	\$ 7,121,437.41
>>> Capital Facilities Project Fund			
		Beginning Cash Balance	\$ 41,774,585.23
Receipts:	- Measure Z Sales Tax Proceeds		3,153,937.12
	- Interest Received		159,279.66
Disbursements:	- FCZC Capital Claim 2021-02C		(2,359,926.13)
	- FCZC Capital Claim 2021-03C		(2,362,423.86)
	- FCZC Capital Claim 2021-04C		(2,131,144.80)
		Net Increase/(Decrease) to Cash	(3,540,278.01)
		Ending Cash Balance - Available for Capital Projects	38,234,307.22
		Ending Balance Available for Operations and Capital Projects	\$ 45,355,744.63
		<i>Total Interest Received During the Quarter</i>	<i>190,528.68</i>

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 1.476 as of March 31, 2021.



AGENDA ITEM 6

DATE: July 28, 2021

TO: Fresno County Zoo Authority Board

FROM: Jon Forrest Dohlin, Chief Executive Officer
Fresno Chaffee Zoo Corporation

SUBJECT: Zoo Director's Report

RECOMMENDED ACTION:

Receive Fresno Chaffee Zoo Director's report.



AGENDA ITEM 7

DATE: July 28, 2021

TO: Fresno County Zoo Authority Board

FROM: Nora Crow, Interim Chief Financial Officer
Fresno Chaffee Zoo Corporation

SUBJECT: May 2021 Year-to-Date Financial Report

RECOMMENDED ACTION:

Receive Fresno Chaffee Zoo Corporation May 2021 Year-to-Date Financial Report and June 2021 Early Insights

ATTACHMENTS:

May 2021 Financial Report



Financial Report

May 2021 YTD
June 2021 Early Insights

Summary

May 2021

Key Takeaway: Continue to keep pace budgetary progress for self-generated revenues and expenses; Anticipated that we have fully covered our PPP2 Loan Funds and are exploring pros/cons of early forgiveness application; Reaped benefits of relatively mild May weather with monthly attendance hitting 129% of budget

- \$7,285,624 self-generated revenue YTD (48% above budget)
- \$6,359,304 total expenses (6% below budget)
- \$926,320 operating surplus (exceeds budgeted deficit of \$1,845,166)
- \$1,890,349 operating surplus with MZ support (exceeds budgeted deficit of \$213,166)
- \$14,753,286 net surplus – MZ Capital Funds, Depreciation, Investment Income/Interest, PPP1 Forgiveness

June 2021 Key Notes:

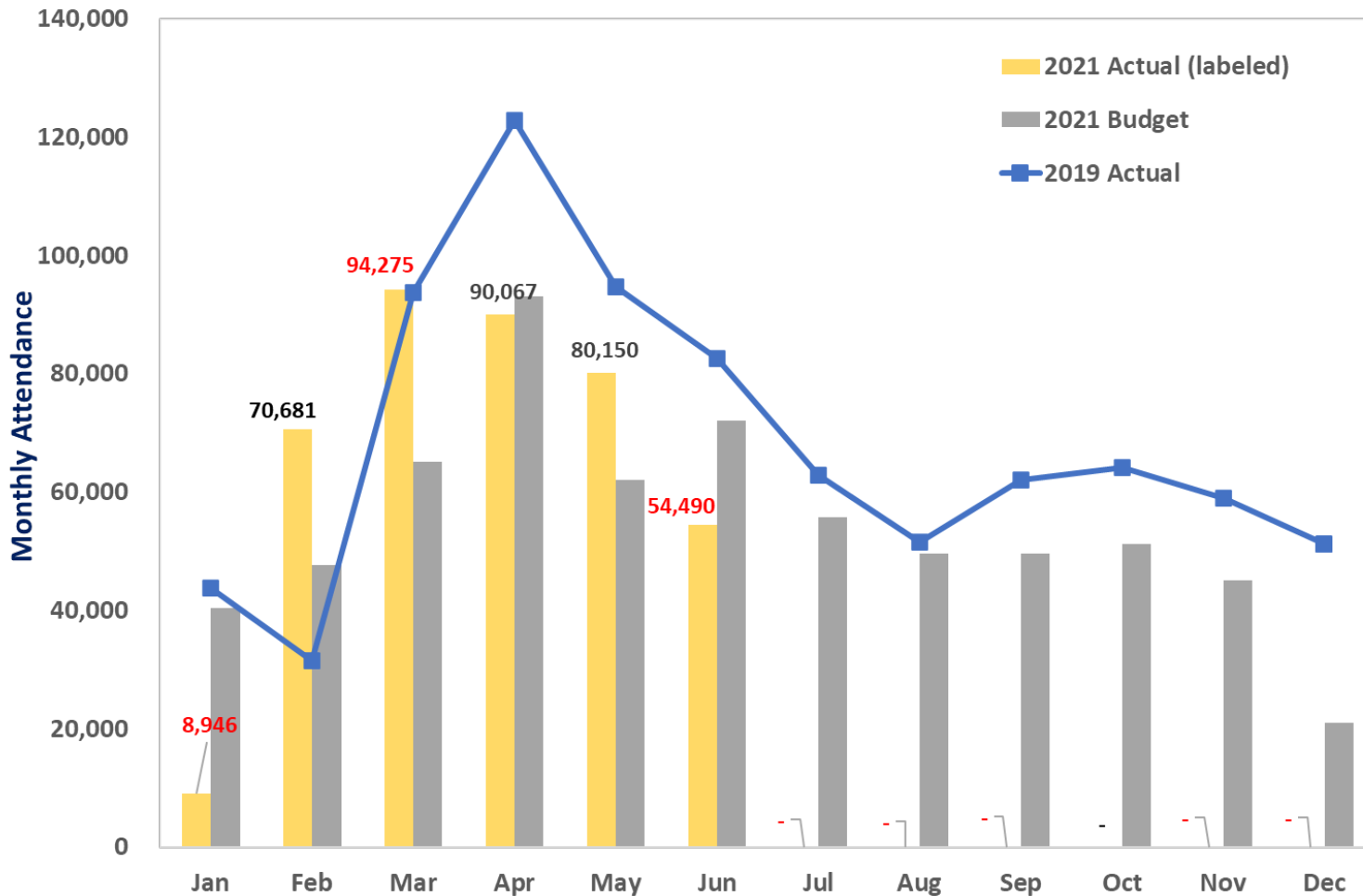
- Zoo celebrated full re-opening on 6/15/21, when California lifted substantially all COVID related restrictions. Wilderness Falls and Dino Dig reopened to our guests.
- Successfully hosted first in-person special event of the year – Roar & Pour on 6/25/21
- Monthly attendance was approximately 76% of budget (54,490 guests)
- Preliminary self-generated revenue YTD of approx. \$8,398,000 (Budget: \$6,135,850)

2021 – Attendance

May 2021 = 80,150 (85% of 2019, 129% of budget)

May 2021 YTD Attendance = 344,119 (89% of 2019, 112% of budget)

June 2021 YTD attendance = 398,609 (85% of 2019, 104% of budget)



May '21 YTD – Variance Analysis vs. Budget

Summary	Actuals	FY 21 Budgeted	FY 20 Diff.	% Diff.	FY 20 Actual	FY 20 Diff.	% Diff.
Attendance	80,150	62,000	18,150	29%	94,734	(14,584)	(15%)
Revenue	\$7,285,624	\$4,922,600	\$2,363,024	48%	\$2,145,615	\$5,140,009	240%
Personnel Expenses	\$3,859,228	\$4,335,301	(\$476,073)	(11%)	\$3,959,690	(\$100,462)	(3%)
Other Expenses	\$2,500,076	\$2,432,465	\$67,611	3%	\$1,868,627	\$631,449	34%
Operations Surplus (Deficit)	\$926,320	(\$1,845,166)	\$2,771,486	nm	(\$3,682,701)	\$4,609,022	nm
Measure Z Operating	\$964,029	\$1,632,000	(\$667,971)	(41%)	\$1,900,885	(\$936,857)	(49%)
Operations + MZ Surplus (Deficit)	\$1,890,349	(\$213,166)	\$2,103,515	nm	(\$1,781,816)	\$3,672,165	nm
Other Non-Operating	\$12,862,937	\$747,050	\$12,115,887	nm	(\$218,361)	\$13,081,298	nm
Net Surplus (Deficit)	\$14,753,286	\$533,884	\$14,219,402	2663%	(\$2,000,177)	\$16,753,463	nm

Revenue - Selected Detail	Actuals	FY 21 Budgeted	FY 20 Diff.	% Diff.	FY 20 Actual	FY 20 Diff.	% Diff.
Admissions	\$3,051,438	\$1,972,000	\$1,079,438	55%	\$882,187	\$2,169,251	246%
Membership	\$1,441,607	\$835,000	\$606,607	73%	\$469,799	\$971,808	207%
Food Services/Gift Shop	\$841,298	\$660,000	\$181,298	27%	\$204,763	\$636,535	311%
Dinosaur Exhibit	\$943,241	\$410,000	\$533,241	130%	\$95,854	\$847,387	884%
Grants/Fundraising, ex-bequest	\$54,687	\$114,500	(\$59,813)	(52%)	\$126,445	(\$71,758)	(57%)
Bequest - unrestricted	-	nm	nm	nm	nm	nm	nm
Other	\$953,354	\$931,100	\$22,254	2%	\$366,567	\$586,787	160%
Revenue	\$7,285,624	\$4,922,600	\$2,363,024	48%	\$2,145,615	\$5,140,009	240%

Expenses - Selected Detail	Actuals	FY 21 Budgeted	FY 20 Diff.	% Diff.	FY 20 Actual	FY 20 Diff.	% Diff.
Personnel - Animal/Vet.	\$1,630,889	\$1,762,700	(\$131,811)	(7%)	\$1,773,127	(\$142,239)	(8%)
Personnel - Education	\$494,641	\$484,976	\$9,665	2%	\$442,946	\$51,695	12%
Personnel - Maint./Hort.	\$356,389	\$524,250	(\$167,861)	(32%)	\$351,818	\$4,571	1%
Personnel - Other	\$1,377,309	\$1,563,375	(\$186,066)	(12%)	\$1,391,798	(\$14,489)	(1%)
Animal Services	\$212,322	\$194,610	\$17,712	9%	\$192,653	\$19,669	10%
Dinosaur Exhibit	\$280,609	\$319,820	(\$39,211)	(12%)	\$156,614	\$123,995	79%
Utilities	\$262,257	\$390,115	(\$127,858)	(33%)	\$275,646	(\$13,388)	(5%)
Repairs & Replacements	\$268,581	\$171,005	\$97,576	57%	\$161,018	\$107,563	67%
Contracted/Prof. Services	\$370,008	\$286,225	\$83,783	29%	\$268,716	\$101,292	38%
Conservation	\$5,226	\$25,000	(\$19,775)	(79%)	\$50	\$5,176	10355%
Other	\$1,101,073	\$1,045,690	\$55,383	5%	\$813,929	\$287,143	35%
Operating Expenses	\$6,359,304	\$6,767,766	(\$408,462)	(6%)	\$5,828,316	\$530,987	9%

Per Capita Spending on Grounds (1 of 3)

Price Reference

Selected Ticket Prices	Non-Member			Member		
	2021	2020	2019	2021	2020	2019
Adult Ticket	\$14.95	\$14.95	\$12.95	-	-	-
Child Ticket	\$8.95	\$8.95	\$7.95	-	-	-
Giraffe Feeding	\$5.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Stingray Bay Admission	\$4.00	\$2.00	\$2.00	-	-	-
Stingray Bay Feeding	\$2.00	\$2.00	\$1.00	\$2.00	\$2.00	\$1.00
Adult Zoorassic Park	\$6.00	\$5.00	\$4.00	\$5.00	\$5.00	\$4.00
Child Zoorassic Park	\$5.00	\$4.00	\$3.00	\$4.00	\$4.00	\$3.00

Note: Additional prices/discounts offered for seniors, groups, total experience ticketholders, etc. Free attendance includes babies, complimentary ticketholders, etc. Members can purchase Zoorassic Park season passes.

Per Capita Spending on Grounds (2 of 3)

Capture Rates & Average Revenue for Experiences

	May 2021	May 2019
Attendance	80,150	94,734
General Admission	51,242	40,366
Total Experience GA	12,178	3,527
Members	28,729	21,696
Programs & Events (P&E)	179	32,672
Giraffe Feeding		
Attendance	43,807	25,244
Total Experience	12,178	3,527
Revenue	\$123,160	\$68,283
Capture Rate	55%	27%
Capture Rate, ex. P&E	48%	38%
Average Revenue	\$2.81	\$2.70
Stingray Bay		
Attendance	40,699	32,978
Total Experience	12,178	3,527
Revenue	\$68,132	\$40,126
Capture Rate	51%	35%
Capture Rate, ex. P&E	51%	53%
Average Revenue	\$1.67	\$1.22
Zoorassic Park		
Attendance	44,973	N/A
Total Experience	12,178	N/A
Revenue	\$219,875	N/A
Capture Rate	56%	N/A
Capture Rate, ex. P&E	56%	N/A
Average Revenue	\$4.89	N/A

Per Capita Spending on Grounds (3 of 3)

	May 2021	May 2019
General Admission	51,242	40,366
Total Experience GA	12,178	3,527
	24%	
Members	28,729	21,696
Attendance ex P&E	79,971	62,062
Giraffe	43,807	25,244
Stingray	40,699	32,978
Zoorassic	44,973	N/A
P&E attendance	179	32,672
Total attendance	80,150	94,734
Admissions	\$753,516	\$493,718
Food	\$131,087	\$96,349
Gift Shop	\$91,015	\$61,705
Giraffe	\$123,160	\$68,283
Stingray	\$68,132	\$40,126
Zoorassic	\$219,875	N/A
Revenue sub-total	\$1,386,785	\$760,181
Admissions	\$9.42	\$7.96
Food	\$1.64	\$1.55
Gift	\$1.14	\$0.99
Giraffe	\$1.54	\$1.10
Stingray	\$0.85	\$0.65
Zoorassic	\$2.75	nm
Per capita (GA & members)	\$17.34	\$12.25
Admissions	\$9.40	\$5.21
Food	\$1.64	\$1.02
Gift	\$1.14	\$0.65
Giraffe	\$1.54	\$0.72
Stingray	\$0.85	\$0.42
Zoorassic	\$2.74	nm
Per capita (all attendance)	\$17.30	\$8.02

FCZC Balance Sheet – May 2021

	May 2021	May 2020
ASSETS		
Current Assets		
Cash	\$7,410,529	\$1,644,208
Short Term Investments-Retention	\$985,556	\$54,651
Accounts Receivable	\$7,600,494	\$940,296
Prepaid Expenses	\$135,670	\$340,205
Deferred Maintenance	\$1,561	\$89,402
Total Current Assets	\$16,133,810	\$3,068,762
Other Assets		
Long Term Investments	\$14,700,705	\$11,672,105
Buildings, Equipment, Vehicles, and Furniture (net)	\$3,932,297	\$3,855,650
Exhibits	\$57,790,197	\$63,166,249
Construction in Progress	\$25,504,211	\$4,151,355
Goodwill	\$87,485	\$103,829
Total Other Assets	\$102,014,896	\$82,949,188
TOTAL ASSETS	\$118,148,705	\$86,017,950
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Liabilities	\$8,752,295	\$2,616,770
Line of Credit/Loan Account	\$0	\$1,377,185
Loan Account PPP	\$1,853,770	\$1,702,700
Retention Payable	\$1,375,092	\$29,337
Long-Term Liabilities	\$243,779	\$0
Total Liabilities	\$12,224,936	\$5,725,992
Net Assets		
Fund Balance-Without donor restriction	\$104,880,686	\$79,049,615
Fund Balance-With donor restriction	\$955,899	\$1,176,586
Total Net Assets	\$105,923,769	\$80,291,958
TOTAL LIABILITIES AND NET ASSETS	\$118,148,705	\$86,017,950

FCZC Balance Sheet – June 2021 DRAFT

	June 2021	June 2020
ASSETS		
Current Assets		
Cash	\$7,461,246	\$934,443
Short Term Investments-Retention	\$1,285,120	\$54,841
Accounts Receivable	\$2,861,529	\$1,266,521
Prepaid Expenses	\$116,961	\$397,186
Deferred Maintenance	\$1,561	\$72,402
Total Current Assets	<u>\$11,726,417</u>	<u>\$2,725,392</u>
Other Assets		
Long Term Investments	\$14,895,167	\$11,974,045
Buildings, Equipment, Vehicles, and Furniture (net)	\$3,896,949	\$3,824,400
Exhibits	\$57,449,868	\$63,166,249
Construction in Progress	\$25,529,903	\$4,377,500
Goodwill	\$86,524	\$103,829
Total Other Assets	<u>\$101,858,411</u>	<u>\$83,446,023</u>
TOTAL ASSETS	<u>\$113,584,828</u>	<u>\$86,171,416</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Liabilities	\$4,505,026	\$2,806,938
Line of Credit/Loan Account	\$0	\$1,379,366
Loan Account PPP	\$1,853,770	\$1,702,700
Retention Payable	\$1,375,092	\$33,842
Long-Term Liabilities	\$243,779	\$0
Total Liabilities	<u>\$7,977,667</u>	<u>\$5,922,846</u>
Net Assets		
Fund Balance-Without donor restriction	\$104,560,377	\$78,999,272
Fund Balance-With donor restriction	\$958,385	\$1,181,756
Total Net Assets	<u>\$105,607,161</u>	<u>\$80,248,570</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$113,584,828</u>	<u>\$86,171,416</u>

DRAFT - subject to
final month-end
adjustments



AGENDA ITEM 8

DATE: July 28, 2020

TO: Fresno County Zoo Authority Board

FROM: Nora Crow, Interim Chief Financial Officer
Fresno Chaffee Zoo Corporation

SUBJECT: Zoo Corporation 2020 Annual Audit

RECOMMENDED ACTION:

Receive Fresno Chaffee Zoo Corporation 2020 Annual Audit from Moss Adams.

DISCUSSION:

Fresno Chaffee Zoo Corporation engages Moss Adams to perform the annual audit. Moss Adams' professional standards require the Zoo Corporation and the Zoo Authority sign an engagement letter to confirm that both parties agree on what is to be performed. On December 16, 2020, your Board approved and authorized the Chairman to execute this engagement letter. Subsequently, Moss Adams conducted the audit.

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.

The Zoo Authority board coordinator received the report on June 16, 2021 and is being brought before your Board at the next available meeting.

ATTACHMENTS:

2020 Agreed Upon Procedures
2020 Report of Independent Auditors



*Report of Independent Accountants on
Applying Agreed Upon Procedures*

Fresno's Chaffee Zoo Corporation

December 31, 2020

Report of Independent Accountants On Applying Agreed-Upon Procedures

Fresno's Chaffee Zoo Corporation
Fresno County Zoo Authority

We have performed the procedures enumerated below, which were agreed to by the Fresno County Zoo Authority (Zoo Authority) and Fresno's Chaffee Zoo Corporation (Zoo Corporation), on the underlying records and schedules of Fresno's Chaffee Zoo Corporation for the period ending December 31, 2020. Zoo Corporation's management is responsible for the underlying records and schedules of Fresno's Chaffee Zoo Corporation for the period ending December 31, 2020. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. Obtained the general ledger (Measure Z GL Report) in Excel format for the period January 1 – December 31, 2020, from 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). Footed the individual claim amounts for GL 1-4150-00 (Measure Z Capital Income) and GL 1-4151-00 (Measure Z Operating Income), respectively. Agreed the footed totals to the totals listed as "Account Ending Balance" in the Measure Z GL Report.

Finding: *No exceptions were found as a result of applying the procedures.*

2. Agreed 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, 2020.

Finding: *No exceptions were found as a result of applying the procedure.*

3. Obtained 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, 2020, located the "Disbursement Claim for Measure Z Funds" and agreed the "Total Amount Requested" on the claim to the individual claim amount listed in GL 1-4151-00 on the Measure Z GL Report.

Finding: *No exceptions were found as a result of applying the procedure.*

4. Obtained all of the capital projects claims from the Zoo Authority website (<https://www.zooauthority.org/Home/Documents>). For each claim that was made between January 1 – December 31, 2020, located the “Disbursement Claim for Measure Z Funds” and agreed the “Total Amount Requested” on the claim to the individual claim amount listed in GL 1-4150-00 on the Measure Z GL Report.

Finding: *No exceptions were found as a result of applying the procedure.*

5. After all operations and capital projects claims have been agreed to their respective GL accounts on the Measure Z GL Report, identified any amounts that did not agree to the respective claims per Steps 3 and 4 above. Obtained supporting documentation for these amounts and described the amount, nature, and source of these amounts.

Finding: *Noted after the operations and capital projects claims were agreed to their respective GL accounts on the Measure Z GL Report, amounts of \$110 and \$100 remained in GL accounts 1-4151-00 and 1-4150-00, respectively. Upon further examination, these amounts were related to wire fee reimbursements for the operations and capital projects claims received during 2020. Examined the GL detail of GL account 1-5014-13 and noted the wire fees paid during the year agreed to the wire fees reimbursed.*

6. Inquired of 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”, obtained supporting documentation for reimbursement. Compared supporting documentation from third-party reimbursements to supporting documentation from Measure Z fund reimbursements. Identified reimbursements for operations or capital projects expenditures that were reimbursed by both Measure Z and a third party.

Finding: *Management did not identify any claims that were reimbursed by the Zoo Authority and another entity or third party for the same claim. No exceptions were found as a result of applying the procedure.*

OPERATIONS CLAIMS

7. Haphazardly selected 75% of the number of operations claims obtained in Step 3. For each operations claim selected, performed the following:
 - a. Obtained the form titled “Disbursement Claim for Measure Z Funds” for the claim selected. Agreed 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.

Finding: *Noted when performing this procedure for Claim 2020-11, the amount claimed under “Marketing, Membership, Development, Events Salary & Benefits” exceeded the costs reflected in the underlying support by \$435.85. Observed a note accompanying the claim from Zoo Authority personnel that noted the amount reimbursed had been adjusted down by \$435.85 to correct the error. Observed the reimbursement received by the Zoo Corporation and inspected it was issued using the corrected amount.*

- b. Obtained 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. Agreed 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.

Finding: *No exceptions were found as a result of applying the procedure.*

- c. Obtained the “Measure Z Operational Reconciliation of Claims to Budget Spreadsheet” for the last claim of the year.
 - i. Agreed 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.

Finding: *No exceptions were found as a result of applying the procedure.*

- ii. Agreed the total of the columns (listed by account name) to the disclosure of Measure Z financial activity for operations projects in the audited financial statements.

Finding: *No exceptions were found as a result of applying the procedure.*

CAPITAL PROJECTS CLAIMS

- 8. Haphazardly selected 75% of the number of capital projects claims obtained in Step 4. For each capital projects claim selected, performed the following:

- a. Obtained the form titled “Disbursement Claim for Measure Z Funds” for the claim selected. Agreed 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.

Finding: *No exceptions were found as a result of applying the procedure.*

- b. Obtained the “Measure Z Capital Claims Spreadsheet” for the claim selected. Agreed 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”.

Finding: *No exceptions were found as a result of applying the procedure.*

- c. Obtained the “Measure Z Capital Claims Spreadsheet” for the last claim of the year.
 - i. Agreed 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.

Finding: *No exceptions were found as a result of applying the procedure.*

- ii. Agreed the total of the columns (listed by project) to the disclosure of Measure Z financial activity for capital projects in the audited financial statements.

Finding: *No exceptions were found as a result of applying the procedure.*

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the underlying records and schedules of Fresno’s Chaffee Zoo Corporation for the period ending December 31, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Fresno's Chaffee Zoo Corporation and the Fresno County Zoo Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moss Adams LLP

Fresno, California

May 27, 2021



*Report of Independent Auditors and
Financial Statements with Supplementary Information*

Fresno's Chaffee Zoo Corporation

*December 31, 2020 with Summarized Comparative Information
for the Year Ended December 31, 2019*

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Report of Independent Auditors

To The Board of Directors
Fresno's Chaffee Zoo Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Fresno's Chaffee Zoo Corporation (the "Corporation"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Corporation'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 Corporation'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Inventory of Capital Assets Purchased with Measure Z Funds* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Summarized Comparative Information

We have previously audited the Corporation's 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated June 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Fresno, California
June 7, 2021

Financial Statements

Fresno's Chaffee Zoo Corporation
Statement of Financial Position
December 31, 2020
(with Summarized Financial Information as of December 31, 2019)

	Without donor restrictions	With donor restrictions	Total	
			2020	2019
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,101,104	\$ 849,945	\$ 2,951,049	\$ 1,136,113
Accounts receivable	7,205,048	-	7,205,048	1,346,404
Investments	13,656,509	81,121	13,737,630	12,268,379
Pledges receivable	-	30,000	30,000	60,000
Prepaid expenses	122,145	-	122,145	210,225
Total current assets	23,084,806	961,066	24,045,872	15,021,121
COLLECTIONS (Note 1)				
PLEDGES RECEIVABLE	-	30,000	30,000	105,157
EQUIPMENT AND FACILITIES, NET	77,285,947	-	77,285,947	70,845,925
OTHER ASSETS, NET	92,292	-	92,292	103,829
Total assets	<u>\$ 100,463,045</u>	<u>\$ 991,066</u>	<u>\$ 101,454,111</u>	<u>\$ 86,076,032</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 5,705,591	\$ -	\$ 5,705,591	\$ 1,154,416
Accrued expenses	691,250	-	691,250	1,098,120
Line of credit	775,694	-	775,694	602,334
Current maturities of long-term debt	1,253,630	-	1,253,630	-
Deferred revenue	1,161,700	-	1,161,700	929,029
Total current liabilities	9,587,865	-	9,587,865	3,783,899
ACCRUED EXPENSES	123,547	-	123,547	-
LONG-TERM DEBT, NET	569,302	-	569,302	-
Total liabilities	<u>10,280,714</u>	<u>-</u>	<u>10,280,714</u>	<u>3,783,899</u>
COMMITMENTS AND CONTINGENCIES (Note 12)				
NET ASSETS				
Without donor restrictions				
Undesignated	81,208,543	-	81,208,543	73,864,739
Board designated	8,973,788	-	8,973,788	7,206,441
Total without donor restrictions	90,182,331	-	90,182,331	81,071,180
With donor restrictions	-	991,066	991,066	1,220,953
Total net assets	<u>90,182,331</u>	<u>991,066</u>	<u>91,173,397</u>	<u>82,292,133</u>
Total liabilities and net assets	<u>\$ 100,463,045</u>	<u>\$ 991,066</u>	<u>\$ 101,454,111</u>	<u>\$ 86,076,032</u>

Fresno's Chaffee Zoo Corporation
Statement of Activities

Year Ended December 31, 2020

(with Summarized Financial Information for the Year Ended December 31, 2019)

	Without donor restrictions	With donor restrictions	Total	
			2020	2019
REVENUE, SUPPORT, AND GAINS				
REVENUE				
Admissions	\$ 3,794,513	\$ -	\$ 3,794,513	\$ 5,447,893
Membership	1,365,289	-	1,365,289	1,782,001
Merchandise, food, and beverage	910,489	-	910,489	1,875,885
Special events	428,045	-	428,045	717,595
Education	257,529	-	257,529	488,423
Other	126,000	-	126,000	166,500
Total revenue	<u>6,881,865</u>	<u>-</u>	<u>6,881,865</u>	<u>10,478,297</u>
SUPPORT				
Measure Z (for capital projects)	10,055,257	-	10,055,257	3,790,238
Measure Z (for facility operations)	6,763,241	-	6,763,241	5,085,421
Contributions	<u>1,732,347</u>	<u>110,382</u>	<u>1,842,729</u>	<u>648,955</u>
Total support	<u>18,550,845</u>	<u>110,382</u>	<u>18,661,227</u>	<u>9,524,614</u>
OTHER INCOME				
Investment income, net	600,963	3,630	604,593	567,767
Net investment gains	1,264,309	7,553	1,271,862	1,498,438
Other income	<u>30,077</u>	<u>-</u>	<u>30,077</u>	<u>39,776</u>
Total other income	<u>1,895,349</u>	<u>11,183</u>	<u>1,906,532</u>	<u>2,105,981</u>
TOTAL ASSETS RELEASED FROM RESTRICTIONS	<u>351,452</u>	<u>(351,452)</u>	<u>-</u>	<u>-</u>
Total revenue, support, and gains	<u>27,679,511</u>	<u>(229,887)</u>	<u>27,449,624</u>	<u>22,108,892</u>
EXPENSES				
Program services	15,867,086	-	15,867,086	16,989,675
Management and general	2,319,201	-	2,319,201	2,560,938
Fundraising	<u>382,073</u>	<u>-</u>	<u>382,073</u>	<u>438,944</u>
Total expenses	<u>18,568,360</u>	<u>-</u>	<u>18,568,360</u>	<u>19,989,557</u>
CHANGE IN NET ASSETS	<u>\$ 9,111,151</u>	<u>\$ (229,887)</u>	<u>\$ 8,881,264</u>	<u>\$ 2,119,335</u>

Fresno's Chaffee Zoo Corporation
Statement of Changes in Net Assets
Year Ended December 31, 2020
(with Summarized Financial Information for the Year Ended December 31, 2019)

	Without donor restrictions	With donor restrictions	Total	
			2020	2019
NET ASSETS, beginning of year	\$ 81,071,180	\$ 1,220,953	\$ 82,292,133	\$ 80,172,798
CHANGE IN NET ASSETS	<u>9,111,151</u>	<u>(229,887)</u>	<u>8,881,264</u>	<u>2,119,335</u>
NET ASSETS, end of year	<u>\$ 90,182,331</u>	<u>\$ 991,066</u>	<u>\$ 91,173,397</u>	<u>\$ 82,292,133</u>

Fresno's Chaffee Zoo Corporation
Statement of Functional Expenses
Year Ended December 31, 2020

(with Summarized Financial Information for the Year Ended December 31, 2019)

	Program Services	Management and General	Fundraising	Total	
				2020	2019
Advertising	\$ 209,684	\$ 39,316	\$ 13,105	\$ 262,105	\$ 403,790
Animal services	490,898	-	-	490,898	533,569
Bad debt	1,813	16,500	1,367	19,680	-
Bank and credit card fees	122,141	22,902	7,634	152,677	148,777
Conservation	119,036	-	-	119,036	173,001
Contracted services	436,026	81,755	27,252	545,033	489,526
Depreciation and amortization	4,439,072	90,593	-	4,529,665	4,309,331
Dues and subscriptions	48,156	9,029	3,010	60,195	49,565
Equipment expense	575,635	107,931	35,977	719,543	828,818
Event expense	108,447	20,334	6,778	135,559	659,375
Fleet expense	24,283	4,553	1,518	30,354	38,344
Food and catering	3,426	642	214	4,282	29,600
Insurance	144,752	27,141	9,047	180,940	198,226
Interest	32,940	-	-	32,940	17,937
Information technology	117,105	21,957	7,319	146,381	99,319
Mileage, tolls, and parking	254	48	16	318	1,914
Miscellaneous	28,699	5,381	1,794	35,874	15,097
Office supplies	9,261	1,737	579	11,577	16,489
Personnel	7,115,287	1,600,939	177,882	8,894,108	9,573,998
Postage	36,230	6,793	2,264	45,287	44,905
Printing	83,781	15,709	5,236	104,726	111,809
Professional services	209,120	39,210	13,070	261,400	266,739
Recognition	7,651	1,434	478	9,563	9,858
Recruiting	9,955	1,866	622	12,443	14,446
Repairs and maintenance	412,065	-	-	412,065	387,250
Signage	34,543	6,477	2,159	43,179	45,583
Specialized services	6,829	1,280	427	8,536	20,574
Staff development	17,976	4,045	449	22,470	75,288
Supplies	230,433	43,206	14,402	288,041	424,146
Telephone	67,239	12,608	4,203	84,050	46,600
Uniforms	22,375	4,195	1,398	27,968	32,083
Utilities	701,974	131,620	43,873	877,467	923,600
Total expenses, year ended December 31, 2020	\$ 15,867,086	\$ 2,319,201	\$ 382,073	\$ 18,568,360	
Total expenses, year ended December 31, 2019	\$ 16,989,675	\$ 2,560,938	\$ 438,944		\$ 19,989,557

See accompanying notes.

Fresno's Chaffee Zoo Corporation
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,881,264	\$ 2,119,335
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	4,529,665	4,309,331
Net investment gains	(1,271,862)	(1,498,438)
Changes in assets and liabilities:		
Accounts receivable	(5,858,644)	20,879
Pledges receivable	105,157	(165,157)
Prepaid expenses	88,080	(56,775)
Accounts payable	4,551,175	(590,199)
Accrued expenses	(283,323)	356,776
Deferred revenue	232,671	237,779
Net cash and cash equivalents from operating activities	<u>10,974,183</u>	<u>4,733,531</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and facilities	(10,812,017)	(4,488,252)
Purchase of investments	(2,876,773)	(1,569,588)
Proceeds from sale of investments	<u>2,679,384</u>	<u>970,018</u>
Net cash and cash equivalents from investing activities	<u>(11,009,406)</u>	<u>(5,087,822)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on line of credit	795,322	2,373,344
Payments on line of credit	(621,962)	(2,383,820)
Proceeds from borrowings under long-term debt	1,702,700	-
Principal payments on long-term debt	<u>(25,901)</u>	<u>-</u>
Net cash and cash equivalents from financing activities	<u>1,850,159</u>	<u>(10,476)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,814,936	(364,767)
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,136,113</u>	<u>1,500,880</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,951,049</u>	<u>\$ 1,136,113</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 21,624	\$ 17,937
NON-CASH TRANSACTIONS:		
Donated materials and services	\$ 48,705	\$ 65,359
Purchase of equipment through assumption of long-term debt	\$ 146,133	\$ -
Transfer of construction in progress to equipment and facilities	\$ 399,776	\$ 5,888,530

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations – Fresno's Chaffee Zoo Corporation (the "Corporation") was formed as a not-for-profit public benefit corporation in 2005, under the laws of the State of California. The Fresno Chaffee Zoo (the "Zoo") is an animal exhibition and care facility located in Fresno, California. Pursuant to a lease agreement dated January 1, 2006, between the City of Fresno (the "City") and the Corporation, the City transferred management and financial responsibility for the Zoo to the Corporation. The Corporation operates and maintains the facility and operates the programs to support wildlife conservation, education, and professional animal management in the community.

The Corporation's main revenue sources can be grouped into two categories: earned revenues (including revenue from the sale of admission tickets, entrance fees for special exhibits and animal feeding experiences, membership dues, commissions from food service and retail sales, special events income, and education program fees) and public support (including contributions made by donors, and support received from Measure Z, a transactions and use tax levied at the rate of 0.1%, collected in Fresno County).

COVID-19 Pandemic – A novel strain of coronavirus ("COVID-19") has resulted in a worldwide health Pandemic. To date, the Pandemic has surfaced in nearly all regions around the world and resulted in business slowdowns and shutdowns, as well as global travel restrictions. The full impact of the Pandemic continues to evolve as of the date the financial statements were available to be issued.

In response to the Pandemic, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") on March 27, 2020. The CARES Act provides various stimulus measures, including several income tax and payroll tax provisions. Among the payroll tax provisions is the creation of a refundable credit for employee retention and the deferral of certain payroll tax remittances through December 31, 2020, to future years (with 50% of the deferred amount due by December 31, 2021, and the remaining 50% due by December 31, 2022). The impact of the payroll tax provisions was the deferral of \$247,094 of payroll tax as of December 31, 2020. This amount is included in accrued expenses on the statement of financial position.

As a result of state and federal COVID-19 guidelines, the Corporation temporarily closed its facilities to the public at various times during 2020. As a result, individuals or families holding memberships were granted an extension to their membership term equal to the period of time the facilities were closed. For those renewing their memberships during the facility closure, the membership term for those renewals began when the facility reopened.

Please refer to Notes 8, 12 and 13 for additional disclosures regarding the Pandemic and its impact on the Corporation.

Basis of accounting – The Corporation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred regardless of the timing of cash flows.

Basis of presentation – Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Without Donor Restrictions – Net assets for use in general operations and not subject to use or time restrictions. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

Use of estimates – The preparation of financial statements in conformity with U.S. GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition – The Corporation recognizes revenue from ticket sales at the time of admission or, in the case of a special exhibit, when the ticket is used for entry into the exhibit.

Revenue from commissions on the sale of retail merchandise and food and beverage are recognized at the time of purchase by the customer. Special events revenue is recognized upon the event taking place.

Membership dues, which are nonrefundable, are comprised of several performance obligations provided to customers. The value of these performance obligations is deferred initially and recognized as the performance obligations are delivered, which is over the membership period. Membership dues received for future periods are reported as deferred revenue.

Club membership dues have an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Corporation recognizes the exchange portion of club membership dues over the membership period, and the contribution portion immediately.

Revenue from educational programs, such as ZooCamp, are deferred initially and recognized as the performance obligations are delivered, which is ratably over the period of time the program is held. Tuition and fees received for future periods are reported as deferred revenue.

Realized and unrealized gains and losses and investment income derived from investment transactions are included as income in the year earned.

Measure Z – On November 2, 2004, the voters of Fresno County approved Measure Z, a transactions and use tax (sales tax) at the rate of 0.1% administered by the Fresno County Zoo Authority (the "Zoo Authority"), to support the Zoo. On November 4, 2014, Measure Z was extended for an additional ten years.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

The Fresno County tax ordinance requires at least 98% of Measure Z tax revenue to be allocated to the Corporation for the purpose of operations, maintenance, and capital projects at the facility. The Zoo Authority, which is charged with the oversight of the administration of the Measure Z funds, is allocated up to 2% of the tax proceeds for the purpose of administration. The Corporation is subject to a budgeting process through which all proposed spending under Measure Z must be reviewed and approved by the Zoo Authority before costs are incurred. Once budgets are approved, documentation showing actual costs expended (referred to as a "claim") must be submitted for reimbursement. All claims submitted are subject to review and approval by the Zoo Authority.

The Corporation recognizes support from Measure Z based on the reimbursable costs incurred during the financial reporting period. Please refer to Note 2 for additional disclosures regarding Measure Z reimbursements.

Contributions – Contributions, including unconditional promises to give, are recognized initially at net realizable value as support in the year received. Net realizable value is estimated giving consideration to anticipated future cash receipts (after an allowance is made for uncollectible contributions, if necessary). Contributions to be received after one year are recorded at the present value of their estimated future cash flows.

Conditional promises to give are not included as support until the conditions are substantially met. Amounts received in advance of satisfying the donor-imposed conditions are reported as deferred revenue.

In-kind donations – Donated material and equipment are recorded as contributions at their estimated value on the date of receipt. The Corporation received and utilized donated goods and services primarily representing auction event items and professional services totaling \$48,705 and \$65,359 during the years ended December 31, 2020 and 2019, respectively. These amounts are included in contributions on the statement of activities.

The Corporation regularly utilizes the services of volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort has not been satisfied and no cash was collected or expenses paid related to those transactions. However, a substantial number of volunteers have donated significant amounts of their time to the Corporation's operations.

Cash and cash equivalents – Cash and cash equivalents consist of checking, savings, and money market accounts. The Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments – Marketable investments in equity and debt securities are carried at fair value based upon quoted market prices. The Corporation's Finance Committee is responsible for establishing investment criteria and overseeing the Corporation's investments.

The Corporation maintains master investment accounts that include its donor-restricted and board-designated endowments. Pooling endowment funds for investment purposes has many benefits, including but not limited to, spreading the total risk of each endowment fund and making the risk equal for all funds invested in the master investment accounts, enhancing the investment performance relative to that of an individual fund, and reducing management fees. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of each endowment to the total fair value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

Accounts receivable – Accounts receivable primarily consist of trade receivables and receivables due from the Zoo Authority for reimbursable costs incurred by the Corporation under Measure Z. Management provides for probable uncollectible amounts through provisions for bad debt expense based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2020 and 2019, the Corporation considers all amounts to be fully collectible; therefore, no allowance for doubtful accounts is reflected.

As of December 31, 2020 and 2019, the amounts due to the Corporation for reimbursable costs related to outstanding Measure Z claims were \$7,100,098 and \$1,205,616, respectively.

Pledges receivable – Unconditional promises to give that are expected to be collected within one year are recorded as pledges receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. At December 31, 2020 and 2019, the Corporation considers all amounts to be fully collectible; therefore, no allowance for doubtful accounts is reflected.

Collections – While the animal collection represents the Corporation's most cherished asset, in accordance with industry practice, the Corporation's collection of animals are not capitalized and recognized as assets on the statement of financial position. The Corporation holds its collections for public exhibition, education, and research rather than for financial gain, and protects, cares for, preserves, and keeps its collections unencumbered. The animal collection has numerous attributes, including species, age, sex, relationship and value to other animals, endangered status, and breeding potential, whereby it is impracticable to assign value. In an ongoing commitment to enhance the worldwide reproduction and preservation of animals, the Corporation exchanges animals with other organizations, but consistent with industry practice, typically does not record any asset or liability when an animal is exchanged with another organization. Generally, expenditures related to animal acquisitions are expensed in the period of acquisition.

Equipment and facilities – Equipment and facilities are carried at cost less accumulated depreciation. Expenditures for major renewals and betterments in excess of \$5,000 for furniture, fixtures, and equipment, and \$30,000 for facilities and improvements that extend the useful lives of property, plant, and equipment are capitalized. Expenditures for maintenance and repairs, including planned major maintenance activities, are charged to expense as incurred. When assets are retired or disposed, the asset's original cost and related accumulated depreciation are eliminated from the accounts and any gain or loss is reflected in the statement of activities. Amortization expense on leasehold improvements is included in depreciation expense and is recorded over the shorter of the estimated useful life of the leasehold improvement or the lease terms that are reasonably assured.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

Depreciation of equipment and facilities is provided using the straight-line method based on the following estimated useful lives:

	<u>Years</u>
Buildings, exhibits and improvements	5 to 20
Transportation and equipment	3 to 7
Furniture and fixtures	5

Impairment of long-lived assets – Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are held and used, an impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows, or internal and external appraisal, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. No impairment losses were incurred during the years ended December 31, 2020 and 2019, respectively.

Advertising – The Corporation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed the first time the advertising takes place. Advertising expense was \$262,105 and \$403,790 for the years ended December 31, 2020 and 2019, respectively.

Income taxes – The Corporation is a qualified organization exempt from federal income taxes and state franchise taxes under §501(c)(3) of the Internal Revenue Code ("IRC") and §23701d of the California Revenue and Taxation Code, respectively. The Corporation is subject to federal income taxes for any activities that are unrelated to its exempt purpose. Unrelated business income tax, if any, is insignificant and no provision for income taxes has been made.

U.S. GAAP requires Corporation management to evaluate tax positions taken by the Corporation and recognize a tax liability (or asset), if the Corporation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service.

The Corporation's evaluation for the years ended December 31, 2020 and 2019, respectively, revealed no tax positions that would have a material impact on the financial statements. The tax returns of the Corporation are subject to examination by federal and state taxing authorities. However, there are currently no examinations in progress or pending.

Financial instruments – Financial instruments, which potentially subject the Corporation to concentrations of credit risk, consist principally of cash and cash equivalents and investments. The Corporation maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation attempts to limit its credit risk associated with cash equivalents and investments by utilizing outside investment managers to place the Corporation's investments with highly rated corporate and financial institutions. Management believes that the Corporation is not exposed to any significant credit risk related to concentrations.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

Functional allocation of expenses – Expenses which apply to more than one functional category have been allocated among program services, management and general, and fundraising on a reasonable basis that is consistently applied. Most expenses of the Corporation are allocated based on overall usage estimates, with the exception of personnel and staff development, which are allocated on the basis of estimated time and effort, and depreciation and amortization, which is allocated using a direct identification methodology.

Summarized comparative information – The amounts shown for the year ended December 31, 2019, in the accompanying financial statements are included to provide a basis for comparison with 2020 and present summarized totals only. Accordingly, the 2019 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

NOTE 2 – MEASURE Z

As disclosed in Note 1, the Corporation receives funding from Measure Z, a transactions and use tax collected in Fresno County. Pursuant to the bylaws of the Zoo Authority, a minimum of two-thirds of the tax revenue allocated to the Corporation must be used for capital projects, while the remaining amount may be used for facility operations, including maintenance.

The following table presents Measure Z reimbursable costs, by project name and purpose, incurred for capital projects for the years ended December 31, 2020 and 2019:

	Design	Construction	Total	
			2020	2019
African River	\$ 722,424	\$ -	\$ 722,424	\$ -
Ambassador Animal Center	21,157	1,317,801	1,338,958	65,230
Infrastructure (SCIP)	-	66,907	66,907	1,515,423
Kingdoms of Asia	516,595	4,650,112	5,166,707	1,442,266
Miscellaneous	25,049	162,550	187,599	30,188
Warthog	-	-	-	371,205
Wilderness Falls	-	-	-	1,754
Zooplex Building	79,916	2,492,646	2,572,562	364,052
	1,365,141	8,690,016	10,055,157	3,790,118
Bank and credit card fees	100	-	100	120
Total	\$ 1,365,241	\$ 8,690,016	\$ 10,055,257	\$ 3,790,238

Fresno's Chaffee Zoo Corporation
Notes to Financial Statements

The following table presents Measure Z reimbursable expenses, by expense line item, incurred for facility operations for the years ended December 31, 2020 and 2019:

	2020	2019
Personnel:		
Administration	\$ 265,000	\$ -
Animal care	2,869,564	3,410,000
Behind the scenes	20,000	-
Bird show	70,000	-
Education	590,000	-
Information technology	29,000	-
Maintenance and horticulture	456,000	-
Membership and development	280,000	-
Veterinary	310,000	410,000
Guest services and security	480,000	-
Utilities	363,567	702,092
Animal services and supplies	496,000	448,877
Dinosaur exhibit	280,000	-
Repairs and maintenance	254,000	114,332
Bank and credit card fees	110	120
	\$ 6,763,241	\$ 5,085,421
Total		

NOTE 3 – LEASE AGREEMENT WITH THE CITY OF FRESNO

According to the terms of the lease agreement (the "Agreement") between the City and the Corporation, dated January 1, 2006 (the "Commencement Date"), the City transferred management and financial responsibility for the Zoo to the Corporation. Under the Agreement, the City owns the Zoo grounds and structures existing at the Commencement Date, and the Corporation is, and will be, the owner of all the improvements constructed after the Commencement Date. As of the Commencement Date, the Corporation has assumed all obligations with respect to the animals cared for, exhibited, housed, or otherwise kept at the Zoo during the term of the Agreement.

The lease rate is \$1 per year paid through the term of the Agreement. The lease expires January 1, 2036, with an option to extend for an additional 25-year period or two additional 10-year periods. Improvements and animals shall become the property of the City when the lease is terminated or expires.

NOTE 4 – INVESTMENTS

Investments, at fair value, for the years ended December 31, 2020 and 2019, are as follows:

	Without donor restrictions	With donor restrictions	Total	
			2020	2019
Investment type:				
Mutual funds	\$ 13,656,509	\$ 81,121	\$ 13,737,630	12,268,379
	\$ 13,656,509	\$ 81,121	\$ 13,737,630	12,268,379

Fresno's Chaffee Zoo Corporation Notes to Financial Statements

The components of investment return for the years ended December 31, 2020 and 2019, are as follows:

	Without donor restrictions	With donor restrictions	Total	
			2020	0
Investment income	\$ 659,367	\$ 3,965	\$ 663,332	\$ 622,962
External and direct internal fees	(58,404)	(335)	(58,739)	(55,195)
Investment income, net	600,963	3,630	604,593	567,767
Net investment gains	1,264,309	7,553	1,271,862	1,498,438
Total	<u>\$ 1,865,272</u>	<u>\$ 11,183</u>	<u>\$ 1,876,455</u>	<u>\$ 2,066,205</u>

The Corporation's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities that the entity has the ability to access at the measurement date.

Level 2 – Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability that are not corroborated by market data.

An asset or a liability's classification is based on the lowest level input that is significant to its measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended December 31, 2020 and 2019, respectively.

Registered investment companies (mutual funds) – Valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV), and mutual funds are required to transact at that price. The funds held by the Corporation are deemed to be actively traded. Mutual funds held by the Corporation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission.

The following table provides information about the Corporation's financial assets measured at fair value on a recurring basis as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Investment type:				
Mutual funds	<u>\$ 13,737,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,737,630</u>

Fresno's Chaffee Zoo Corporation
Notes to Financial Statements

The following table provides information about the Corporation's financial assets measured at fair value on a recurring basis as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment type:				
Mutual funds	<u>\$ 12,268,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,268,379</u>

There were no transfers between levels of the fair value hierarchy during the years ended December 31, 2020 and 2019, respectively.

NOTE 5 – EQUIPMENT AND FACILITIES

Equipment and facilities consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>0</u>
Buildings, exhibits and improvements	\$ 86,063,388	\$ 85,439,176
Transportation and equipment	2,519,946	2,277,093
Furniture and fixtures	<u>64,524</u>	<u>64,524</u>
	88,647,858	87,780,793
Less: accumulated depreciation and amortization	<u>(25,815,959)</u>	<u>(21,297,830)</u>
	62,831,899	66,482,963
Land	705,450	705,450
Construction in progress	<u>13,748,598</u>	<u>3,657,512</u>
Total	<u>\$ 77,285,947</u>	<u>\$ 70,845,925</u>

Total depreciation and amortization expense for the years ended December 31, 2020 and 2019, was \$4,518,128 and \$4,297,794, respectively.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

NOTE 6 – NET ASSETS

Net assets consisted of the following at December 31, 2020 and 2019:

	2020	-
Without donor restrictions:		
Undesignated	\$ 81,208,543	\$ 73,864,739
Board designated - specific purposes	1,991,528	1,692,030
Board designated - endowment	6,982,260	5,514,411
Total without donor restrictions	<u>90,182,331</u>	<u>81,071,180</u>
With donor restrictions:		
Donor restricted - specific purposes	909,945	1,151,015
Donor restricted - endowment	81,121	69,938
Total with donor restrictions	<u>991,066</u>	<u>1,220,953</u>
Total	<u>\$ 91,173,397</u>	<u>\$ 82,292,133</u>

A portion of net assets are designated by the Board of Directors for specific purposes related to the mission and purpose of the Corporation. The following table presents activity in board-designated net assets for specific purposes for the year ended December 31, 2020:

	December 31, 2019	Increases	Decreases	December 31, 2020
Conservation	\$ -	\$ 150,000	\$ (127,726)	\$ 22,274
Development	1,500,000	200,000	(174,803)	1,525,197
Infrastructure - exhibits	160,924	191,250	(160,204)	191,970
Sponsorship	31,106	50,000	(4,498)	76,608
Veterinary	-	255,000	(79,521)	175,479
Total	<u>\$ 1,692,030</u>	<u>\$ 846,250</u>	<u>\$ (546,752)</u>	<u>\$ 1,991,528</u>

A portion of net assets are restricted by donors for specific purposes related to the mission and purpose of the Corporation. The following table presents activity in donor-restricted net assets for specific purposes for the year ended December 31, 2020:

	December 31, 2019	Increases	Decreases	December 31, 2020
Conservation and enrichment	\$ 42,517	\$ 32,104	\$ (5,063)	\$ 69,558
Education	21,607	285	(9,087)	12,805
Infrastructure - exhibits	537,477	77,993	(65,362)	550,108
Infrastructure - public	549,414	-	(271,940)	277,474
Total	<u>\$ 1,151,015</u>	<u>\$ 110,382</u>	<u>\$ (351,452)</u>	<u>\$ 909,945</u>

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

NOTE 7 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Corporation's financial assets as of December 31, 2020, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when not convertible to cash within one year, or when subject to other considerations such as donor restrictions or board designations.

Financial assets as of December 31, 2020

Cash and cash equivalents	\$ 2,951,049
Accounts receivable	7,205,048
Investments	13,737,630
Current portion of pledges receivable	<u>30,000</u>
Financial assets as of December 31, 2020	<u>23,923,727</u>

Less those assets unavailable for general expenditures within one year, due to:

Contractual or donor-imposed restrictions:	
Donor restricted - specific purposes	909,945
Donor restricted - endowment	81,121
Capital project funds retained in money market account	239,523
Board designations:	
Board designated - specific purposes	1,991,528
Board designated - endowment	6,982,260
Loans and construction contracts payable	<u>5,644,875</u>
	<u>15,849,252</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,074,475</u>

The Corporation's spending policy is to structure its financial assets to be available for operations, capital projects, and opportunities to enhance the Corporation's mission.

NOTE 8 – DEBT OBLIGATIONS

The Corporation had the following debt obligations at December 31, 2020 and 2019:

Line of credit

In 2014, the Corporation added a margin feature to its investment agreement with Charles Schwab. The feature allows the Corporation to borrow against the value of certain marginable investments held with Charles Schwab. Interest is calculated on the borrowings at the daily margin interest rate (1.80% and 3.30% at December 31, 2020 and 2019, respectively). At December 31, 2020 and 2019, the outstanding balance on the margin loan was \$775,694 and \$602,334, respectively. Maximum borrowings on the margin loan were not to exceed \$2,001,681 and \$1,669,484 at December 31, 2020 and 2019, respectively.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

Promissory note

In response to the COVID-19 Pandemic, the Paycheck Protection Program ("PPP") was established under the CARES Act and administered by the U.S. Small Business Administration ("SBA"). Companies who met the eligibility requirements set forth by the PPP could qualify for PPP loans provided by local lenders, which supports payroll, rent, and utility expenses (qualified expenses). If the loan proceeds are fully utilized to pay qualified expenses over the covered period, as further defined by the PPP, the full principal amount of the PPP loan may qualify for loan forgiveness, subject to potential reduction based on the level of full-time employees maintained by the organization during the covered period as compared to a baseline period.

In May 2020, the Corporation received proceeds of \$1,702,700 under the PPP provided by Suncrest Bank. Based on the terms and conditions of the loan agreement, the term of the PPP loan is two years with an annual interest rate of 1.0% and principal and interest payments will be deferred for the first six months of the loan term, which has been updated according to the Paycheck Protection Program Flexibility Act of 2020 ("Flexibility Act").

In June 2020, the Flexibility Act was signed into law, which amended the CARES Act. The Flexibility Act changed key provisions of the PPP, including, but not limited to, (i) provisions relating to the maturity of PPP loans, (ii) the deferral period covering of PPP loan payments, and (iii) the process for measurement of loan forgiveness. More specifically, the Flexibility Act extended the length of the measurement period (covered period) from eight weeks to 24 weeks from receipt of proceeds, while allowing borrowers that received PPP loans before June 5, 2020, to determine, at their sole discretion, a covered period of either eight weeks or 24 weeks.

After reviewing the applicable terms and conditions of the Flexibility Act, the Corporation elected to extend the length of the covered period from the lesser of (i) period whereby qualified expenses equal loan proceeds or (ii) 24 weeks.

In December 2020, the Corporation requested the proceeds of the PPP be forgiven in full, by submitting a PPP Loan Forgiveness Application to its lender, Suncrest Bank. In accordance with the terms and conditions under the Flexibility Act, the lender has 60 days from receipt of the completed application to issue a decision to the SBA. If the lender determines that the borrower is entitled to forgiveness of some or all of the amount applied for under the statute and applicable regulations, the lender must request payment from the SBA at the time the lender issues its decision to the SBA. The SBA will, subject to any SBA review of the loan or loan application, remit the appropriate forgiveness amount to the lender, plus any interest accrued through the date of payment, not later than 90 days after the lender issues its decision to the SBA.

In January 2021, Suncrest Bank determined that the Corporation was entitled to forgiveness of the amount applied for in full and requested payment from the SBA. On February 2, 2021, the SBA remitted payments of \$1,702,700 and \$12,922 to Suncrest Bank, representing the amount of proceeds forgiven and accrued interest, respectively. The amount forgiven will be recorded as loan forgiveness income during the year ended December 31, 2021.

Capital lease obligations

As disclosed in Note 11, the Corporation has capital lease agreements for certain machinery and equipment in aggregate original amounts of \$146,133 at December 31, 2020. Such capital leases have effective rates of interest from 2.55% to 3.67% and varying monthly payments due through January 2025. Future minimum payments under capital lease obligations, net of interest expense as of December 31, 2020, were \$117,827.

Fresno's Chaffee Zoo Corporation
Notes to Financial Statements

Loans and contracts payable consist of the following at December 31, 2020 and 2019:

	2020	2019
Line of credit	\$ 775,694	\$ 602,334
Long-term debt:		
PPP Loan	\$ 1,702,700	\$ -
Capital lease obligations	120,232	-
Total long-term debt	1,822,932	-
Current maturities	(1,253,630)	-
Long-term debt, net of current maturities	\$ 569,302	\$ -

Maturities of loans and lease contracts at December 31, 2020, are as follows:

For the Years Ended December 31,

2021	\$ 1,253,630
2022	506,782
2023	28,856
2024	28,856
2025	4,808
	\$ 1,822,932

NOTE 9 – ENDOWMENT

The Corporation's endowment assets include both donor-restricted endowment funds as well as funds without donor restrictions designated for long-term investment by the Board of Directors, which are funds functioning as endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Corporation has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies net assets with donor restrictions as: (i) the original value of gifts donated to the permanent endowment, (ii) the original value of subsequent gifts to the permanent endowment, and (iii) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

In accordance with SPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (i) the duration and preservation of the various funds, (ii) the purposes of the donor-restricted endowment funds, (iii) general economic conditions, (iv) the possible effect of inflation and deflation, (v) the expected total return from income and the appreciation of investments, (vi) other resources of the Corporation, and (vii) the Corporation's investment policies.

Investment return objectives, risk parameters, and strategies – The Corporation has an Investment Policy Statement (“IPS”), which is approved by the Corporation's Finance Committee and Board of Directors. The IPS specifies investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Corporation expects its endowment assets, over time, to produce an average nominal rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending policy – The Corporation has a policy of appropriating for distribution an amount of up to 5% of its endowment fund's average fair value for the prior 12 quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Corporation considered the long-term expected return on its investment assets to be approximately 8%, offset by estimated inflation of 3%, which is consistent with the Corporation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Corporation has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

Endowment net asset composition by type of fund as of December 31, 2020 and 2019, is as follows:

	Without donor restrictions	With donor restrictions	Total	
			2020	0
Donor-restricted endowment funds	\$ -	\$ 81,121	\$ 81,121	\$ 69,938
Board-designated endowment funds	6,982,260	-	6,982,260	5,514,411
Total	\$ 6,982,260	\$ 81,121	\$ 7,063,381	\$ 5,584,349

Fresno's Chaffee Zoo Corporation
Notes to Financial Statements

Changes in endowment net assets for the years ended December 31, 2020 and 2019, respectively, were as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets as of January 00, 1900	\$ 4,594,273	\$ 57,941	\$ 4,652,214
Investment return:			
Investment income, net	265,611	3,350	268,961
Net investment gains, realized and unrealized	685,612	8,647	694,259
Total investment return	951,223	11,997	963,220
Contributions	145,000	-	145,000
Appropriation of endowment assets for expenditure	(176,085)	-	(176,085)
Endowment net assets as of January 00, 1900	\$ 5,514,411	\$ 69,938	\$ 5,584,349
Investment return:			
Investment income, net	310,612	3,630	314,242
Net investment gains, realized and unrealized	622,852	7,553	630,405
Total investment return	933,464	11,183	944,647
Contributions	534,385	-	534,385
Endowment net assets as of December 31, 2020	\$ 6,982,260	\$ 81,121	\$ 7,063,381

NOTE 10 – EMPLOYEE BENEFIT PLAN

The Corporation maintains a 401(k) defined contribution plan (the "Plan") for its employees. The Plan is available to all employees on the first day of the month following their hire date, provided they are at least 21 years of age. Employees are automatically enrolled in the Plan at a 1% pre-tax contribution rate unless they opt out. The Plan provides an employer match to employees that have completed at least 1,000 hours and 12 months of service. The Plan provides an employer match of 100% for the first 3% of the employee contribution and a 50% match for the next 2% of the employee contribution, up to a maximum employer match of 4% of pay. Total contributions made to the Plan for the years ended December 31, 2020 and 2019, were \$155,365 and \$140,714, respectively.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Claims and legal actions – The Corporation is subject to claims and legal actions arising in the ordinary course of business. In the opinion of management, based in part upon the advice of legal counsel, these matters are of such a nature that unfavorable disposition would not have a material adverse effect on the financial position, results of operations, or cash flows of the Corporation.

Fresno's Chaffee Zoo Corporation

Notes to Financial Statements

Capital lease obligations – The Corporation has capital lease agreements for certain machinery and equipment. Such equipment had a cost and accumulated amortization of \$146,133 and \$28,770, respectively, as of December 31, 2020. Both cost and accumulated amortization are included in equipment and facilities in the statement of financial position.

Total future minimum lease payments under capital leases are \$117,827, which includes no interest expense, at December 31, 2020. Future minimum payments under capital lease obligations, net of interest expense as of December 31, 2020, are included in long-term debt maturities (Note 8). The current portion of debt due under capital lease obligations was \$28,856 at December 31, 2020.

Operating lease obligations – As disclosed in Note 1 and Note 3, the Corporation entered into an agreement to lease the Zoo premises from the City effective January 1, 2006.

The Corporation is obligated under several noncancelable operating leases for its equipment.

The following is a schedule of minimum lease commitments for the years ending December 31:

<u>For the Years Ended December 31,</u>	<u>Amount</u>
2021	\$ 18,159
2022	2,871
2023	1
2024	1
2025	1
Thereafter	11
	<u>\$ 21,044</u>

Lease expense for the years ended December 31, 2020 and 2019, was \$25,745 and \$25,745, respectively.

Construction commitments - As of December 31, 2020, the Corporation had an outstanding commitment for future capital expenditures of \$37,439,941.

Food service and retail commitments - Effective July 25, 2011, the Corporation entered into an agreement with Service Systems Associates (“SSA”) to conduct food service and retail merchandising operations, which has been amended subsequent to its effective date. Under the agreement, the Corporation receives monthly license fees from SSA based on gross receipts of food and merchandise sold that vary between 15% and 33% depending on the type and level of receipts. SSA also contributes to capital improvements in the food service and retail facilities. As of December 31, 2020, the agreement’s term was through October 31, 2030, and the amount committed for capital improvements was \$711,000.

NOTE 12 – UNCERTAINTY

In March 2020, the World Health Organization declared the COVID-19 coronavirus outbreak a public health emergency. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Corporation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on customers, employees and vendors, all of which are uncertain and cannot be predicted. The Corporation will continue to monitor the situation closely, but given the uncertainty about the situation, an estimate of the impact to the Corporation's financial condition or results of operations cannot be made at this time.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Corporation recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Corporation's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before the financial statements are issued or are available to be issued. The Corporation has evaluated subsequent events through June 7, 2021, which is the date the financial statements were available to be issued and, except as noted below, concluded no subsequent events have occurred that require recognition or disclosure.

See Note 8 regarding the forgiveness of the promissory note issued under the PPP.

In February 2021, the Corporation received proceeds of \$1,853,770 under a second PPP loan provided by Suncrest Bank. Based on the terms and conditions of the loan agreement, the term of the second PPP loan is five years with an annual interest rate of 1.0%. Principal and interest payments are deferred for the first ten months of the loan term, at which time monthly payments of principal and interest of \$31,688 will be due and payable through maturity in February 2026, if required. The loan may be partially or fully forgiven if the Corporation uses all proceeds for eligible purposes, including meeting certain employment and compensation requirements as specified in the CARES Act and the PPP Flexibility Act; and in accordance with SBA rules and guidance.

Supplementary Information

Fresno's Chaffee Zoo Corporation
Inventory of Capital Assets Purchased with Measure Z Funds
December 31, 2020

	December 31, 2019	Increases	Decreases	Transfers	December 31, 2020
African Adventure	\$ 57,242,620	\$ -	\$ -	\$ -	\$ 57,242,620
Birds of Prey	44,944	-	-	-	44,944
Dino Dig	70,000	-	-	-	70,000
Giraffe	57,600	-	-	-	57,600
Hospital-Radiology Unit	49,363	-	-	-	49,363
Infrastructure (SCIP)	2,885,065	-	-	66,907	2,951,972
Malayan Tiger	35,731	-	-	-	35,731
Reptile House	1,022,168	-	-	-	1,022,168
Safari Café	54,235	-	-	-	54,235
Sea Lion Cove	10,496,712	-	-	-	10,496,712
Spot-Necked Otter/Pelican	200,000	-	-	-	200,000
Stingray Bay	69,474	-	-	-	69,474
Tropical Treasures	35,062	-	-	-	35,062
Utilities	2,153,937	-	-	-	2,153,937
Warthog	2,846,645	-	-	-	2,846,645
Wilderness Falls	3,316,460	-	-	-	3,316,460
	80,580,016	-	-	66,907	80,646,923
Construction in progress	3,073,798	10,055,157	-	(66,907)	13,062,048
Total	\$ 83,653,814	\$ 10,055,157	\$ -	\$ -	\$ 93,708,971



AGENDA ITEM 9

DATE: July 28, 2021

TO: Fresno County Zoo Authority Board

FROM: Jon Forrest Dohlin, Chief Executive Officer
Fresno Chaffee Zoo Corporation

SUBJECT: 2021 Measure Z Capital Request – Modifications to Greater One Horned Rhino Exhibit Located Within Kingdoms of Asia Project

RECOMMENDED ACTION:

Approve Fresno Chaffee Zoo Corporation's request for Measure Z Capital funds totaling \$248,347 for design through construction documents for modifications to the Greater One Horned Rhino Exhibit located within the Kingdoms of Asia Project.

DISCUSSION:

The Kingdoms of Asia project significantly expands the Zoo's exhibit infrastructure. The project includes:

- 1) A dedicated Asia section of the Zoo, including enhanced orangutan, tiger, sloth bear, Indian rhino, and Komodo dragon exhibits.
- 2) New space for educational programming that directly connects participants with Asian species, e.g. through an indoor viewing window.
- 3) Cultural elements, including an Asian-themed café.

The Zoo Authority Board has approved the following funding for the Kingdoms of Asia project:

- Design totaling \$4,101,931. This includes approvals between November 29, 2017 and November 28, 2018.
- The Zoo Authority Board approved funding for the design of Orangutan Exhibit enhancements totaling \$110,066 on April 26, 2017.
- The Zoo Authority Board approved funding for construction totaling \$38,365,323 on July 29, 2020.

The Chaffee Zoo Corporation is requesting additional funding to modify the existing Greater One Horned Rhino exhibit located within the Kingdoms of Asia project to accommodate Tapir, Babirusa, and Muntjac within a naturalistic environment.

The proposal includes fees for CLR Design to provide full design services, topographic survey, project management fees, and ten percent contingency. Fees for estimated city application, city plan check, and interpretation design shall be paid from the existing Kingdoms of Asia design budget.

Design Budget

CLR Design	\$	215,000
CVEAS	\$	4,320
FCZ Project Management	\$	6,450
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Subtotal	\$	225,770
Contingency (10%)	\$	22,577
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TOTAL	\$	248,347

The Fresno Chaffee Zoo Corporation Board of Directors and Finance Committee approved this request on July 15, 2021.