

FRESNO COUNTY ZOO AUTHORITY

AGENDA

9:00 AM, Wednesday, January 30, 2019

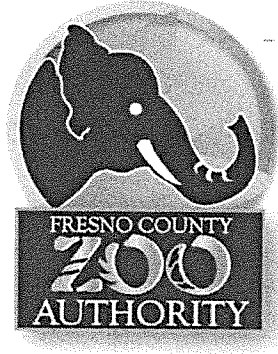
**Fresno County Employees' Retirement Association
7772 N. Palm Ave.
Fresno, CA 93711
(559) 457-0681**

1. Call to Order
2. Adopt Agenda
3. Public Comments
This time is made available to receive comments from the public on matters within the Board's jurisdiction that are not on the Agenda. Attention is called to the fact that the Board is prohibited from taking any action on matters that are not on the Agenda. Members of the public are limited to three minutes to speak during Public Comments as well as for each item on the agenda. In order to accurately record the minutes, members of the public are asked to speak only from the podium. Before beginning comments, please state for the record your name and affiliation, if any.
4. Consent Agenda
These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public will be given the opportunity to remove any item from the Consent Calendar. Items removed from the Consent Calendar may be heard immediately following approval of the Consent Calendar.
 - a. Review and approve minutes of November 28, 2018
 - b. Review and approve payment of County of Fresno invoice for Professional and Specialized Services in the amount of \$25,314.73 for October, November and December 2018
 - c. Receive Treasurer's Reports for November, December, and the Quarter ended December 31, 2018
5. Receive Zoo Authority 2017-18 audited financial statements and independent auditor's report from Brown Armstrong Accountancy Corporation

6. Approve final draft of Zoo Authority fiscal year 2017-18 Annual Report
7. Receive Fresno Chaffee Zoo Director's report
8. Receive Fresno's Chaffee Zoo Corporation Financial reports for October and November 2018
9. Approve Fresno's Chaffee Zoo Corporation fiscal year 2019 Measure Z Operating funds totaling \$5,089,730 for the reimbursement of Animal and Veterinary Salary and Benefits, Animal Food and Services, Exhibit Maintenance and Renovations, Water Quality Supplies, Utilities, and Bank Fees to wire reimbursement funds to the Zoo.
10. Approve appointee to Board Coordinator position, as recommended by the Board's ad-hoc sub-committee
11. Approve proposed amendments to Fresno County Zoo Authority Retention Policy
12. Approve proposed amendments to the Fresno County Zoo Authority Procedures for Approving and Administering Measure Z Funds
13. Receive staff reports
14. Approve next Board meeting
Meeting dates include:
February 27, 2019
March 27, 2019
April 24, 2019
15. Chair's comments
16. Board Member comments
17. Adjourn

All supporting documentation is available for public review in the office of the Fresno County Zoo Authority, 2220 Tulare Street, Suite A, Fresno, 93721, during regular business hours.

For further information, please contact Catherine Crosby, Zoo Authority Coordinator, at 600-4305, 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, November 28, 2018

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

NOTE: THIS MEETING WAS NOT RECORDED

IN THE ABSENCE OF THE CHAIRMAN, THE CONSENSUS OF THE MEMBERS WAS TO DESIGNATE MEMBER OLIVER BAINES AS ACTING CHAIRMAN.

1. Call to Order

THE ACTING CHAIRMAN CALLED THE MEETING TO ORDER AT 9:06 AM. A QUORUM WAS PRESENT, INCLUDING ACTING CHAIRMAN BAINES, AND MEMBERS PETER HERZOG, GERALD LYLES, KENT STRATFORD, AND RALPH WATERHOUSE. CHAIRMAN MICHELLE ROMAN AND MEMBER PAUL TOSTE WERE ABSENT.

2. Adopt Agenda

MEMBER HERZOG MOVED TO ADOPT THE AGENDA. SECONDED BY MEMBER LYLES, THE MOTION PASSED UNANIMOUSLY. CHAIRMAN ROMAN AND MEMBER TOSTE WERE ABSENT.

3. Public Comments

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

HELD; NONE RECEIVED.

4. Consent Agenda

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

- a. Review and approve minutes of September 26, and October 22, 2018
- b. Review and approve payment of County of Fresno invoice for Professional and Specialized Services in the amount of \$41,996.72 for July, August and September 2018
- c. Receive Treasurer's Reports for September and October 2018

MEMBER WATERHOUSE MOVED FOR APPROVAL OF THE CONSENT CALENDAR. SECONDED BY MEMBER LYLES, THE MOTION PASSED UNANIMOUSLY. CHAIRMAN ROMAN AND MEMBER TOSTE WERE ABSENT.

5. Receive Fresno Chaffee Zoo Director's report

RECEIVED. DIRECTOR BARTON REPORTED SUMMER ATTENDANCE WAS LOW DUE TO HOT WEATHER AND SMOKEY CONDITIONS; ZOO BOO WAS WELL ATTENDED AND ZOO LIGHTS IS EXPECTED TO DO WELL; RECENT BIRTHS INCLUDED A MALE ORANGUTAN AND AN ADDAX; THE WARTHOG EXHIBIT IS EXPECTED TO BE COMPLETED IN DECEMBER AND OPEN IN JANUARY; THE SOUTH CORRIDOR INFRASTRUCTURE PROJECT (SCIP) SHOULD BE COMPLETED IN JANUARY; PARKING IN THE BELMONT LOT IS EXPECTED TO BE OPEN FOR THE 2019 BUSY SEASON; AND REMODELING OF THE ORANGUTAN EXHIBIT IS PLANNED FOR 2019. HE CONFIRMED THAT PROJECT CONTINGENCY FUNDS ARE 10% FOR WARTHOG, AND 15% FOR SCIP.

CHAIRMAN ROMAN ARRIVED AT 9:10 AND ASKED MEMBER BAINES TO CONTINUE AS ACTING CHAIRMAN. MEMBER TOSTE ARRIVED AT 9:13.

6. Receive Fresno's Chaffee Zoo Corporation Financial reports for August and September 2018
RECEIVED. CHIEF FINANCIAL OFFICER RICHARD TREATCH REPORTED FUNDS TO REPAIR AFRICAN ADVENTURE ROOF THATCH HAD BEEN RECEIVED; SELF-GENERATED REVENUE WAS \$1.5M GREATER THAN 2017, PRIMARILY DUE TO THE 2018 ADMISSION PRICE INCREASE. YEAR-TO-DATE EXPENSES WERE 13.7% UNDER BUDGET, PRINCIPALLY DUE TO TIMING AND FEWER RESOURCES REQUIRED THAN BUDGETED.

7. Approve Fresno's Chaffee Zoo Corporation's request of Measure Z Capital funds totaling \$112,500 for architect's reimbursable expenses related to the design of the Asia Exhibit
CHIEF FINANCIAL OFFICER RICHARD TREATCH PRESENTED THE REQUEST FOR FUNDS THAT HAD BEEN INADVERTENTLY LEFT OFF THE EARLIER APPROVED DESIGN FUNDING REQUEST. MEMBER TOSTE MOVED FOR APPROVAL. SECONDED BY MEMBER HERZOG, THE MOTION PASSED UNANIMOUSLY.

8. Approve Fresno's Chaffee Zoo Corporation's request for Measure Z Capital funds totaling \$17,808 for additional costs added by Fresno Metropolitan Flood Control District design change
MR. TREATCH PRESENTED THE REQUEST FOR THE ZOO'S PORTION OF THE MATERIALS AND LABOR COSTS SHARED WITH THE CITY OF FRESNO. MEMBER WATERHOUSE MOVED FOR APPROVAL. SECONDED BY MEMBER TOSTE, THE MOTION PASSED UNANIMOUSLY.

9. Approve proposed amendments to Fresno County Zoo Authority Retention Policy
BOARD COORDINATOR CATHY CROSBY PRESENTED THE ITEM. MEMBERS DISCUSSED INCLUDING ALL METHODS OF CONSTRUCTION PROJECT OVERSIGHT AND A DEFINITION OF A ZOO PROJECT MANAGER IN THE POLICY. THE CONSENSUS OF MEMBERS WAS TO CONTINUE THE ITEM UNTIL THESE COULD BE PROPOSED IN A REVISED POLICY.

CHAIRMAN ROMAN LEFT THE MEETING AT 10:10 AM.

10. Approve proposed amendments to the Fresno County Zoo Authority *Procedures for Approving and Administering Measure Z Funds*

MS. CROSBY PRESENTED THE ITEM. FRESNO'S CHAFFEE ZOO CORPORATION COUNSEL DOUG LARSEN PROPOSED AND EXPLAINED ALTERNATE LANGUAGE REGARDING AGREEMENTS FOR THE THIRD SENTENCE OF PARAGRAPH 3 ON PAGE 14. THE NEED FOR A DEFINITION OF 'CHANGE IN SCOPE' OF A PROJECT WAS MENTIONED. AFTER DISCUSSION, THE CONSENSUS OF MEMBERS WAS TO TABLE THE ITEM UNTIL THESE CHANGES COULD BE PROPOSED IN REVISED *PROCEDURES*.

11. Receive staff reports

RECEIVED; MS. CROSBY REPORTED THAT THE ZOO AUTHORITY AUDIT WILL BE RECEIVED AT THE NEXT MEETING, AND COULD BE PRESENTED TO THE BOARD OF SUPERVISORS IN MARCH.

12. Board Meetings

- a. Adopt 2019 meeting calendar

MEMBER WATERHOUSE MOVED FOR APPROVAL. SECONDED BY MEMBER LYLES, THE MOTION PASSED UNANIMOUSLY. CHAIRMAN ROMAN WAS ABSENT.

- b. Approve next meeting date(s)

December 26, 2018

January 30, 2019

February 27, 2019?

March 27, 2019

AFTER DISCUSSION, A MOTION WAS MADE BY MEMBER WATERHOUSE TO CANCEL THE DECEMBER 26, 2018 MEETING AND HOLD THE NEXT MEETING ON JANUARY 30, 2019. SECONDED BY MEMBER TOSTE, THE MOTION PASSED UNANIMOUSLY. CHAIRMAN ROMAN WAS ABSENT.

- c. Discuss and consider permanently relocating Zoo Authority Board meetings to Fresno Chaffee Zoo

MS. CROSBY REVIEWED POSITIVE ASPECTS AND PRACTICAL CONSIDERATIONS FOR MOVING TO THE ZOO IN THE SHORT OR LONGER TERM; INCLUDING ROOM AVAILABILITY, RECORDING AND STREAMING AUDIO OF MEETINGS, AND ROEDING PARK AND ZOO ENTRY. AFTER DISCUSSION, THE CONSENSUS OF MEMBERS WAS TO DEFER A DECISION FOR THE TIME BEING.

13. Chair's comments

ON BEHALF OF ABSENT CHAIRMAN ROMAN, MS. CROSBY PRESENTED A CERTIFICATE OF APPRECIATION TO ACTING CHAIRMAN AND OUTGOING FRESNO CITY COUNCIL MEMBER OLIVER BAINES FOR HIS 8 YEARS SERVING ON THE ZOO AUTHORITY BOARD AS THE ALTERNATE FOR THE MAYOR OF FRESNO.

MR. BAINES THANKED AND PRAISED THE MEMBERS FOR THE BOARD'S IMPORTANT WORK FOR THE ZOO AND THE CITY, AND SAID HE HAD ENJOYED HIS TIME ON THE BOARD.

14. Board Member comments

MEMBERS THANKED MR. BAINES FOR ACTING AS CHAIRMAN TODAY, FOR HIS YEARS OF SERVICE, AND FOR BRINGING HIS POSITIVE ATTITUDE AND THE CITY OF FRESNO'S PERSPECTIVE TO THE MEETINGS.

MEMBER TOSTE INQUIRED ABOUT PROGRESS IN FINDING A REPLACEMENT FOR THE RETIRING BOARD COORDINATOR. DISCUSSION LED TO THE FORMATION OF AN AD HOC SUB-COMMITTEE OF CHAIRMAN ROMAN AND MEMBERS HERZOG AND TOSTE TO INTERVIEW TWO CANDIDATES PROPOSED BY THE COUNTY ADMINISTRATIVE OFFICER. STAFF WAS DIRECTED TO ARRANGE FOR THE INTERVIEW AS SOON AS POSSIBLE IN DECEMBER.

15. Adjourn

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, ACTING CHAIRMAN BAINES ADJOURNED THE MEETING AT 10:12 AM.

All supporting documentation is available for public review in the office of the Fresno County Zoo Authority, 2220 Tulare Street, Suite A, Fresno, 93721, during regular business hours.

For further information, please contact Catherine Crosby, Zoo Authority Coordinator, at 600-4305, 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 for October, November and December 2018

Invoice Number
101112-ZOO-013019

January 30, 2019

TO: Zoo Authority Board
c/o County of Fresno
2220 Tulare St, 6th Floor MS 214
Fresno, CA 93721

Department / Title	Hours	Rates	Cost	Fiscal Year 18-19
<i>Financial Reporting and Audits</i>				
<i>Division Chief</i>	0.00	\$92.49	\$0.00	
<i>Accounting & Finance Manager</i>	0.00	\$91.80	\$0.00	
<i>Senior Accountant</i>	0.00	\$80.92	\$0.00	
<i>Accountant II</i>	0.00	\$74.80	\$0.00	
<i>Accountant I</i>	0.00	\$62.78	\$0.00	
<i>Supervising Account Clerk II</i>	0.00	\$75.45	\$0.00	
<i>Account Clerk I</i>	0.00	\$48.46	\$0.00	
<i>Accounting Intern</i>	0.00	\$34.78	\$0.00	
<i>Public Works and Planning</i>				
<i>Staff Analyst III</i>	268.50	\$76.48	\$20,534.88	
<i>IT Staff</i>	0.00	\$85.40		
<i>County Counsel</i>				
<i>Deputy County Counsel</i>	28.50	\$122.00	\$3,477.00	
Professional Services Total	297.00		\$24,011.87	\$66,906.28
IT Services Annual Enterprise Fee			202.86	
Annual Audit - work in progress			\$1,100.00	
Office Expense Total			\$1,302.86	\$8,045.74
			\$25,314.73	\$98,963.89
			Invoice Total	FY 18-19 Total



**Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Month Ended November 30, 2018**

Summary of Measure Z Proceeds			
Tax Proceeds Received:			
-	Measure Z - Sales Tax Proceeds	\$	1,531,071.93
	Total Proceeds Received:	\$	1,531,071.93
Tax Proceeds Allocated:			
-	Allocation to Zoo Authority Fund (2%)	\$	30,621.44
-	Allocation to Trust Fund for Operations and Capital Projects (98%)		1,500,450.49
	Total Proceed Allocations	\$	1,531,071.93
Cash Balance by Fund			
Zoo Authority Fund			
>> Administrative Fund		2%	
	Beginning Cash Balance	\$	1,625,749.40
Receipts:	- Measure Z Sales Tax Proceeds		30,621.44
Disbursements:	- PeopleSoft Financial Charges		(75.34)
	Net Increase/(Decrease) to Cash		30,546.10
	Ending Cash Balance - Zoo Authority Administrative Fund	\$	1,656,295.50
Trust Fund for FCZC Operations and Capital Projects			
		98%	
	Beginning Cash Balance	\$	34,705,652.90
>>> Operations Fund			
	Beginning Cash Balance		6,323,234.02
Receipts:	- Measure Z Sales Tax Proceeds		500,150.16
Disbursements:	- Wire Fees		(10.00)
	Net Increase/(Decrease) to Cash		500,140.16
	Ending Cash Balance - Available for Operations	\$	6,823,374.18
>>> Capital Facilities Project Fund			
	Beginning Cash Balance	\$	34,705,652.90
Receipts:	- Measure Z Sales Tax Proceeds		1,000,300.33
Disbursements:	- FCZC Capital Claim #2018-12C		(1,211,719.74)
	Net Increase/(Decrease) to Cash		(211,419.41)
	Ending Cash Balance - Available for Capital Projects		34,494,233.49
	Ending Balance Available for Operations and Capital Projects	\$	41,317,607.67
	Total Interest Received During the Month		-

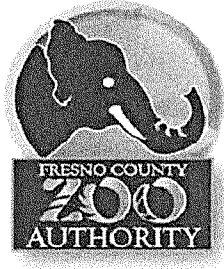
By Staff _____

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 1.985 as of September 30, 2018.



Fresno County Zoo Authority

SUMMARY OF MEASURE Z SALES TAX PROCEEDS

	PRIOR FISCAL YEARS			CURRENT FISCAL YEAR			
	2015-2016	2016-2017	2017-2018	2018-19			
	ACTUAL	ACTUAL	ACTUAL	BUDGETED	ACTUAL	BUDGET TO ACTUAL	
	TAX RECEIPTS	TAX RECEIPTS	TAX RECEIPTS	TAX RECEIPTS	TAX RECEIPTS	VARIANCE	
July	\$ 900,800	\$ 952,000	\$ 1,227,435	\$ 940,108	\$ 1,227,435	\$ 287,327	30.56%
August	1,201,100	1,269,300	1,241,000	1,228,590	928,052	\$ (300,538)	-24.46%
September	1,408,037	1,181,071	1,391,154	1,377,242	1,171,132	\$ (206,110)	-14.97%
October	911,400	941,400	933,300	951,966	1,619,199	\$ 667,233	70.09%
November	1,215,200	1,255,200	1,244,400	1,231,956	1,531,072	\$ 299,116	24.28%
December	1,306,493	1,188,304	1,452,570	1,408,993			
January	915,800	955,400	951,900	923,343			
February	1,221,000	1,273,900	1,269,200	1,231,124			
March	1,226,517	1,114,146	1,420,604	1,377,986			
April	819,500	855,500	865,400	839,438			
May	1,092,700	1,140,700	1,512,737	1,040,643			
June	1,374,748	1,220,710	1,103,925	1,013,457			
Total	\$ 13,593,295	\$ 13,347,631	\$ 14,613,625	\$ 13,564,846	\$ 6,476,890	\$ 747,028	5.51%

TOTAL MEASURE Z PROCEEDS FROM INCEPTION \$ 160,097,835



Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Month Ended November 30, 2018

Summary of Quarter Four Interest Receipts					
Fund	Subclass	Description	1st Alloc. October	2nd Alloc December	Interest Received
4845	10000	Zoo Authority	722.36	-	\$ 722.36
4850	10000	FCZC - Operations	2,928.72	-	\$ 2,928.72
4850	42700	FCZC - CP	15,040.34	-	\$ 15,040.34
Total			\$ 18,691.42	\$ -	\$ 18,691.42
October to December					



**Fresno County Zoo Authority
Capital Projects Fund Cash Flow
For the Month Ended November 30, 2018**

Cash Balance as of 11/30/2018 \$ 34,494,233

DEDUCTIONS (earmarked projects, FY18-19 expenditures paid through claim 2018-12C):

2019 Warthog Exhibit-May 2018	1,620,926
2019 South Corridor Infrastructure-February 2018	2,967,822
2019 Asian Exhibits - November 2017	3,453,516
2019 Belmont Basin Relief Line-August 2017	161,498
2019 Animal Nutrition Center-August 2017	756,087
2019 Prgm Animal Holding Facility-June 2017	130,395
2019 Orangutan Exhibit-May 2017	33,887
2019 African River-April 2017	3,552,910
2019 Water Play Area-January 2017	98,861
2019 Dino Dig Expansion-June 2016	154,218
2019 Animal Acquisition-September 2015	35,462

Total Deductions: \$ (12,965,582)

TOTAL: \$ 21,528,651



**Fresno County Zoo Authority
Operations Fund Cash Flow
For the Month Ended November 30, 2018**

Cash Balance as of 11/30/2018 \$ 6,823,374

DEDUCTIONS (Remaining budgets, paid through claim 2018-09):

2019 Animal	684,996
2019 Veterinary	131,026
2019 Utilities	(14,686)
2019 Animal Feed	152,605
2019 Interest/Bank Charges	50

Total Deductions:	<u>\$ (953,991)</u>
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TOTAL:	<u><u>\$ 5,869,383</u></u>
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**Fresno County Zoo Authority
Administration Fund Cash Flow
For the Month Ended November 30, 2018**

Cash Balance as of 11/30/2018 \$ 1,656,296

DEDUCTIONS

(FY 18-19 Remaining budgets, paid through claim 0607-ZOO-092618):

2019 Telephone Charges	250
2019 Memberships	500
2019 Office Expense	5,977
2019 Postage	861
2019 PeopleSoft Financials Charges	537
2019 Professional Services	130,336
2019 Data Processing Services	1,500
2019 Publications & Legal Notices	500
2019 Trans, Travel & Education	2,500

Total Deductions:

\$ (142,961)

TOTAL:

\$ 1,513,335



**Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Quarter Ended December 31, 2018**

Summary of Measure Z Proceeds			
Tax Proceeds Received:			
-	Measure Z - Sales Tax Proceeds	\$	4,542,533.18
	Total Proceeds Received:	\$	4,542,533.18
Tax Proceeds Allocated:			
-	Allocation to Zoo Authority Fund (2%)		90,850.66
-	Allocation to Trust Fund for Operations and Capital Projects (98%)		4,451,682.52
	Total Proceed Allocations	\$	4,542,533.18
Cash Balance by Fund			
Zoo Authority Fund			
>> Administrative Fund		2%	
	Beginning Cash Balance	\$	1,599,319.75
Receipts:	- Measure Z Sales Tax Proceeds		90,850.67
	- Interest Received		7,879.72
Disbursements:	- PeopleSoft Financial Charges		(167.90)
	- ZA Staff Invoice Reimbursement for Professional Services		(46,575.44)
	- Annual Audit		(2,000.00)
	- ZA Office Expense		(13.49)
	- ZA Postage Expense		(31.21)
	Net Increase/(Decrease) to Cash		49,942.35
	Ending Cash Balance - Zoo Authority Administrative Fund	\$	1,649,262.10
Trust Fund for FCZC Operations and Capital Projects			
		98%	
	Beginning Cash Balance	\$	40,277,570.28
>>> Operations Fund			
	Beginning Cash Balance		6,175,866.64
Receipts:	- Measure Z Sales Tax Proceeds		1,483,894.17
	- Interest Received		31,947.31
Disbursements:	- FCZC Operations Claim #2018-09		(384,469.84)
	- FCZC Operations Claim #2018-10		(320,814.43)
	- Wire Fees		(70.00)
	Net Increase/(Decrease) to Cash		810,487.21
	Ending Cash Balance - Available for Operations	\$	6,986,353.85
>>> Capital Facilities Project Fund			
	Beginning Cash Balance	\$	34,101,703.64
Receipts:	- Measure Z Sales Tax Proceeds		2,967,788.34
	- Interest Received		164,064.50
Disbursements:	- FCZC Capital Claim 2018-10C		(176,790.17)
	- FCZC Capital Claim 2018-11C		(292,177.90)
	- FCZC Capital Claim 2018-12C		(1,211,719.74)
	- FCZC Capital Claim 2018-13C		(1,054,815.89)
	- FCZC Capital Claim 2018-14C		(773,815.39)
	Net Increase/(Decrease) to Cash		(377,466.25)
	Ending Cash Balance - Available for Capital Projects		33,724,237.39
	Ending Balance Available for Operations and Capital Projects	\$	40,710,591.24
	Total Interest Received During the Quarter		203,891.53

By Staff _____ Date _____

Accepted _____ Date _____

* Interest receipts are recorded in the month received rather than in the month earned and were calculated on an annual percentage of 1.985 as of September 30, 2018.



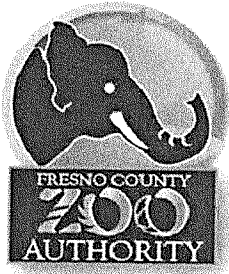
**Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Month Ended December 31, 2018**

Summary of Measure Z Proceeds			
Tax Proceeds Received:			
-	Measure Z - Sales Tax Proceeds	\$	1,392,261.77
	Total Proceeds Received:	\$	1,392,261.77
Tax Proceeds Allocated:			
-	Allocation to Zoo Authority Fund (2%)	\$	27,845.24
-	Allocation to Trust Fund for Operations and Capital Projects (98%)		1,364,416.53
	Total Proceed Allocations	\$	1,392,261.77
Cash Balance by Fund			
Zoo Authority Fund			
	>> Administrative Fund	2%	
	Beginning Cash Balance	\$	1,656,295.50
Receipts:	- Measure Z Sales Tax Proceeds		27,845.24
	- Interest Received		7,157.36
Disbursements:	- ZA Staff Invoice Reimbursement for Professional Services		(39,996.68)
	- Annual Audit		(2,000.00)
	- Office Expense		(13.49)
	- PeopleSoft Financials Charge		(25.83)
	Net Increase/(Decrease) to Cash		(7,033.40)
	Ending Cash Balance - Zoo Authority Administrative Fund	\$	1,649,262.10
Trust Fund for FCZC Operations and Capital Projects			
	98%		
	Beginning Cash Balance	\$	41,317,607.67
	>>> Operations Fund		
	Beginning Cash Balance		6,823,374.18
Receipts:	- Measure Z Sales Tax Proceeds		454,805.51
	- Interest Received		29,018.59
Disbursements:	- FCZC Operations Claim #2018-10		(320,814.43)
	- Wire Fees		(30.00)
	Net Increase/(Decrease) to Cash		162,979.67
	Ending Cash Balance - Available for Operations	\$	6,986,353.85
	>>> Capital Facilities Project Fund		
	Beginning Cash Balance	\$	34,494,233.49
Receipts:	- Measure Z Sales Tax Proceeds		909,611.02
	- Interest Received		149,024.16
Disbursements:	- FCZC Capital Claim #2018-13C		(1,054,815.89)
	- FCZC Capital Claim #2018-14C		(773,815.39)
	Net Increase/(Decrease) to Cash		(769,996.10)
	Ending Cash Balance - Available for Capital Projects		33,724,237.39
	Ending Balance Available for Operations and Capital Projects	\$	40,710,591.24
	Total Interest Received During the Month		185,200.11

By Staff _____ Date _____

Accepted _____ Date _____

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Fresno County Zoo Authority

SUMMARY OF MEASURE Z SALES TAX PROCEEDS

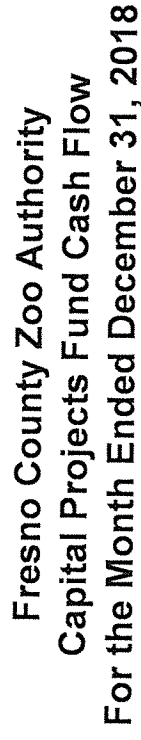
	PRIOR FISCAL YEARS			CURRENT FISCAL YEAR			
	2015-2016	2016-2017	2017-2018	2018-19			
	ACTUAL TAX RECEIPTS	ACTUAL TAX RECEIPTS	ACTUAL TAX RECEIPTS	BUDGETED TAX RECEIPTS	ACTUAL TAX RECEIPTS	BUDGET TO ACTUAL VARIANCE	
July	\$ 900,800	\$ 952,000	\$ 1,227,435	\$ 940,108	\$ 1,227,435	\$ 287,327	30.56%
August	1,201,100	1,269,300	1,241,000	1,228,590	928,052	\$ (300,538)	-24.46%
September	1,408,037	1,181,071	1,391,154	1,377,242	1,171,132	\$ (206,110)	-14.97%
October	911,400	941,400	933,300	951,966	1,619,199	\$ 667,233	70.09%
November	1,215,200	1,255,200	1,244,400	1,231,956	1,531,072	\$ 299,116	24.28%
December	1,306,493	1,188,304	1,452,570	1,408,993	1,392,262	\$ (16,731)	-1.19%
January	915,800	955,400	951,900	923,343			
February	1,221,000	1,273,900	1,269,200	1,231,124			
March	1,226,517	1,114,146	1,420,604	1,377,986			
April	819,500	855,500	865,400	839,438			
May	1,092,700	1,140,700	1,512,737	1,040,643			
June	1,374,748	1,220,710	1,103,925	1,013,457			
Total	\$ 13,593,295	\$ 13,347,631	\$ 14,613,625	\$ 13,564,846	\$ 7,869,152	\$ 730,297	5.38%

TOTAL MEASURE Z PROCEEDS FROM INCEPTION \$ 161,490,097



Fresno County Zoo Authority
Treasurer's Report
Unaudited Cash Basis
For the Month Ended December 31, 2018

Summary of Quarter Four Interest Receipts					
Fund	Subclass	Description	1st Alloc. October	2nd Alloc December	Interest Received
4845	10000	Zoo Authority	722.36	7,157.36	\$ 7,879.72
4850	10000	FCZC - Operations	2,928.72	29,018.59	\$ 31,947.31
4850	42700	FCZC - CP	15,040.34	149,024.16	\$ 164,064.50
Total			\$ 18,691.42	\$ 185,200.11	\$ 203,891.53
October to December					



\$ 33,724,237

Total Deductions:

TOTAL:

\$ 22,456,978



**Fresno County Zoo Authority
Operations Fund Cash Flow
For the Month Ended December 31, 2018**

Cash Balance as of 12/31/2018 **\$ 6,986,354**

DEDUCTIONS (Remaining budgets, paid through claim 2018-11):

2019 Animal	416,039
2019 Veterinary	100,544
2019 Utilities	(18)
2019 Animal Feed	116,562
2019 Interest/Bank Charges	20

Total Deductions: **\$ (633,147)**

TOTAL: **\$ 6,353,207**



**Fresno County Zoo Authority
Administration Fund Cash Flow
For the Month Ended December 31, 2018**

Cash Balance as of 12/31/2018 \$ 1,649,262

DEDUCTIONS

(FY 18-19 Remaining budgets, paid through claim 070809-ZOO-112818):

2019 Telephone Charges	250
2019 Memberships	500
2019 Office Expense	5,964
2019 Postage	861
2019 PeopleSoft Financials Charges	512
2019 Professional Services	90,373
2019 Data Processing Services	1,500
2019 Publications & Legal Notices	500
2019 Trans, Travel & Education	2,500

Total Deductions:

\$ (102,960)

TOTAL:

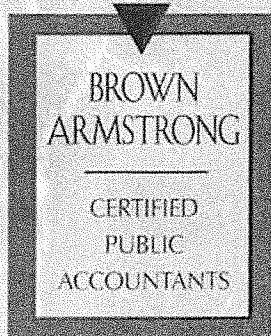
\$ 1,546,302

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

For the Year Ended June 30, 2018

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Fresno County Zoo Authority (the Authority), as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate remaining fund information of the Authority, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2018, on our consideration of Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 21, 2018

FRESNO COUNTY ZOO AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2018

This section of the Fresno County Zoo Authority (Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2018. Please read the information contained in this discussion and analysis in conjunction with the Authority's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources (referred to as net position) at the end of the 2017-2018 fiscal year by \$1,594,760. This amount is considered restricted net position.
- Liabilities of the Authority totaled \$25,078 at June 30, 2018. This amount primarily consists of expenses related to professional and specialized services provided by the County of Fresno.
- The Authority's total net position increased by \$185,682 during fiscal year 2017-2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

information regarding the modified accrual basis of accounting. The Authority's funds can be divided into two categories: governmental funds (general fund) and fiduciary funds (private-purpose trust fund).

Statement of Net Position (condensed)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Assets:		
Current assets	\$ 1,619,838	\$ 1,431,048
Total assets	<u>\$ 1,619,838</u>	<u>\$ 1,431,048</u>
Liabilities:		
Current liabilities	\$ 25,078	\$ 21,970
Total liabilities	<u>\$ 25,078</u>	<u>\$ 21,970</u>
Net position:		
Restricted	\$ 1,594,760	\$ 1,409,078
Total net position	<u>\$ 1,594,760</u>	<u>\$ 1,409,078</u>

Statement of Activities (condensed)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Revenues:		
General revenues	\$ 326,477	\$ 279,536
Total revenues	<u>\$ 326,477</u>	<u>\$ 279,536</u>
Expenses:		
Governmental activities	\$ 140,795	\$ 206,571
Total expenses	<u>\$ 140,795</u>	<u>\$ 206,571</u>
Net position beginning	\$ 1,409,078	\$ 1,336,113
Change in net position	185,682	72,965
Net position ending	<u>\$ 1,594,760</u>	<u>\$ 1,409,078</u>

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

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

governmental funds and governmental activities. The Authority's General Fund budgetary comparison schedule is presented in RSI. The Authority adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule is thus provided for the General Fund to demonstrate compliance with this budget.

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

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

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

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

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 16-22 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,594,760 at the close of fiscal year 2017-2018. The Authority has no investments in capital assets.

Governmental activities: Governmental activities increased the Authority's net position by \$185,682 during fiscal year 2017-2018. The key element of this increase relates to sales tax revenue exceeding total expenditures by \$159,897.

FINANCIAL ANALYSIS OF THE AUTHORITY FUNDS

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

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

At June 30, 2018, the Authority's governmental fund reported a fund balance of \$1,594,760, an increase of \$185,682 in comparing to the balance of \$1,409,078 reported at June 30, 2017.

Revenues for the governmental fund totaled \$326,477 in fiscal year 2017-2018. Revenue was primarily comprised from Measure Z sales tax (92%). The remaining 8% was interest.

Expenditures for governmental funds totaled \$140,795 in fiscal year 2017-2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2017-2018 fiscal year, actual revenues were above those estimated in the final budget by \$47,076 due to a net increase in sales tax revenue. Actual expenditures were below current year budgeted amounts by \$69,124. This difference in expenditures is primarily due to a greater use of encumbered, prior year expenditure for professional and specialized services, which incorporated into the overall, current year expenditures. Additional information regarding the encumbrance system can be found in the note to budgetary comparison schedule – general fund on page 25.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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FRESNO COUNTY ZOO AUTHORITY
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities
ASSETS	
Cash and investments	1,551,011
Interest receivable	5,046
Due from other governments	63,781
Total assets	<u>\$ 1,619,838</u>
LIABILITIES	
Accrued liabilities	25,078
Total liabilities	<u>25,078</u>
NET POSITION	
Restricted	1,594,760
Total net position	<u><u>\$ 1,594,760</u></u>

The accompanying notes are an integral part of this statement.

FRESNO COUNTY ZOO AUTHORITY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues - Charges for Services	Operating Grants and Contributions	Net Expenses and Changes in Net Position of Governmental Activities
Governmental activities-				
General government	\$ 140,795	\$ -	\$ -	\$ (140,795)
Total	<u>\$ 140,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (140,795)</u>
General revenues:				
Sales tax				300,692
Interest				<u>25,785</u>
Total general revenues				<u>326,477</u>
Change in net position				<u>185,682</u>
Net position - beginning				<u>1,409,078</u>
Net position - ending				<u>\$ 1,594,760</u>

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2018**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>General Fund</u>
Cash and investments	\$ 1,551,011
Interest receivable	5,046
Due from other governments	63,781
 Total assets	 <u>1,619,838</u>
 Deferred outflows of resources	 -
Total assets & deferred outflows of resources	<u><u>\$ 1,619,838</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities:	
Accrued liabilities	<u>\$ 25,078</u>
 Total liabilities	 <u>25,078</u>
 Deferred inflows of resources	 <u>-</u>
Fund balance:	
Restricted	<u>1,594,760</u>
 Total fund balance	 <u>1,594,760</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u><u>\$ 1,619,838</u></u>

Reconciliation of the Balance Sheet to the Statement of Net Position

Total fund balance - governmental fund	\$ 1,594,760
 Differences	 <u>-</u>
Net position - governmental activities	<u><u>\$ 1,594,760</u></u>

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2018**

REVENUES	<u>General Fund</u>
Measure Z sales tax	\$ 300,692
Interest	<u>25,785</u>
Total revenues	<u>326,477</u>
 EXPENDITURES	
Current:	
Office expense	3,417
Postage	361
PeopleSoft charges	874
Professional and specialized services	<u>136,143</u>
Total expenditures	<u>140,795</u>
Excess of revenues over expenditures	<u>185,682</u>
Net change in fund balance	185,682
 FUND BALANCE	
Fund balance - beginning	<u>1,409,078</u>
Fund balance - ending	<u><u>\$ 1,594,760</u></u>

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

Net change in fund balance - governmental fund	\$ 185,682
Differences	<u>-</u>
Change in net position - governmental activities	<u><u>\$ 185,682</u></u>

The accompanying notes are an integral part of this statement.

FRESNO COUNTY ZOO AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
June 30, 2018

	<u>Operations</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 6,325,142	\$ 32,039,802	\$ 38,364,944
Due from other governments	1,041,733	2,083,466	3,125,199
Interest receivable	29,428	143,553	172,981
	<u>7,396,303</u>	<u>34,266,821</u>	<u>41,663,124</u>
Total assets	<u>\$ 7,396,303</u>	<u>\$ 34,266,821</u>	<u>\$ 41,663,124</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Held in trust for operations	7,396,303	-	7,396,303
Held in trust for capital projects	<u>-</u>	<u>34,266,821</u>	<u>34,266,821</u>
	<u>7,396,303</u>	<u>34,266,821</u>	<u>41,663,124</u>
Total net position	<u>\$ 7,396,303</u>	<u>\$ 34,266,821</u>	<u>\$ 41,663,124</u>

The accompanying notes are an integral part of this statement.

FRESNO COUNTY ZOO AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
For the Year Ended June 30, 2018

	<u>Operations</u>	<u>Capital Projects</u>	<u>Total</u>
ADDITIONS			
Measure Z Sales tax	\$ 4,911,295	\$ 9,822,591	\$ 14,733,886
Interest	108,631	499,549	608,180
Total additions	<u>5,019,926</u>	<u>10,322,140</u>	<u>15,342,066</u>
DEDUCTIONS			
Disbursements to non-profit	<u>4,456,566</u>	<u>3,546,390</u>	<u>8,002,956</u>
Total deductions	<u>4,456,566</u>	<u>3,546,390</u>	<u>8,002,956</u>
Change in net position	563,360	6,775,750	7,339,110
Net position held in trust - beginning	<u>6,832,943</u>	<u>27,491,071</u>	<u>34,324,014</u>
Net position held in trust - ending	<u>\$ 7,396,303</u>	<u>\$ 34,266,821</u>	<u>\$ 41,663,124</u>

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Basis of Presentation

Government-wide Financial Statements

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

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

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund financial statements provide information about the Authority's individual funds including governmental and fiduciary funds. Separate statements for each fund category are presented. The balance sheet and statement of revenues, expenditures, and changes in fund balance focus on the presentation of the major governmental fund, the general fund. These two statements are used to report information regarding the Authority's own operations and programs (up to 2% of Measure Z sales tax revenue). The statement of fiduciary net position and the statement of changes in fiduciary net position provide information regarding the 98% of sales tax proceeds and related disbursements, which are exclusively restricted for the support of zoos, zoological facilities, and related zoological purposes within the County. Disbursements of Measure Z funds during fiscal year ended June 30, 2018, were made to the Fresno's Chaffee Zoo Corporation (the entity operating the Fresno Chaffee Zoo).

The Authority reports the following major governmental fund:

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

The Authority reports the following fiduciary fund:

- The *Private-Purpose Trust Fund* is used to account for the portion of Measure Z sales tax proceeds (and related disbursements), exclusively restricted for the support of zoos, zoological facilities, and related zoological purposes within the County (no less than 98% of total Measure Z proceeds). During fiscal year ended June 30, 2018, disbursements of Measure Z funds were made to the Fresno's Chaffee Zoo Corporation (FCZC), which is the entity operating the Fresno Chaffee Zoo.

C. Measurement Focus and Basis of Accounting

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and Investments

Investments for the Authority are reported at fair value.

Due from Other Governments

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

Accrued Liabilities

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

Net Position

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

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

Use of Management Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

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

A reconciliation of the total fund balance for the governmental fund to the total net position of governmental activities has been prepared as part of the basic financial statements. However, no differences were reported between total fund balance and total net position for the fiscal year ended June 30, 2018.

A reconciliation of the total net change in fund balance for the governmental fund to the total changes in net position of governmental activities has been prepared as part of the basic financial statements. However, no differences were reported between total net change in fund balance and total changes in net position for the fiscal year ended June 30, 2018.

NOTE 3 – CASH, INVESTMENTS, AND DEPOSITS

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

NOTE 4 – BUDGET/DISBURSEMENTS

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

Measure Z-funded line items of the Fresno Chaffee Zoo Corporation's (FCZC) operating and capital projects budgets for calendar years 2017 and 2018 were approved by the Authority's board. FCZC is the entity operating the Fresno Chaffee Zoo and functions separately from the Authority, operating on a calendar year basis (ending December 31). The Authority's oversight of FCZC extends only to the administration of Measure Z funds.

During fiscal year ended June 30, 2018, disbursements totaling \$8,002,956 were made to FCZC: \$4,456,566 for operations and \$3,546,390 for capital projects.

Undistributed sales tax revenue net of expenses incurred during the fiscal year are classified as "net position held in trust" in the statement of fiduciary net position. The balance reported at June 30, 2018, was as follows:

Held in Trust For:	
Operations	\$ 7,396,303
Capital projects	34,266,821
Total	\$ 41,663,124

NOTE 5 – LIABILITIES

Liabilities of the Authority totaled \$25,078 at June 30, 2018. This amount primarily consisted of expenses related to professional and specialized services provided by the County of Fresno.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6- FUND BALANCE

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

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

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

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

The Zoo Authority's general fund balance of \$1,594,760 is considered restricted. This is because the monies are derived from Measure Z and are required to be spent in a manner that is consistent with the limitations placed on its use.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – RECENTLY RELEASED STANDARDS BY GASB

During the fiscal year ending June 30, 2018, the Authority implemented the following standards:

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans*. The provisions of GASB Statement No. 75 are effective for financial statements beginning after June 15, 2017. The Authority has determined the implementation of GASB Statement No. 75 has no effect to the basic financial statements.

GASB Statement No. 81 - *Irrevocable Split-Interest Agreements*. The requirements of this statement are effective for periods beginning after December 15, 2016. The Authority has determined the implementation of GASB Statement No. 81 has no effect to the basic financial statements

GASB Statement No. 85 – *Omnibus 2017*. The requirements of this statement are effective for periods beginning after June 15, 2017. The Authority has determined the implementation of GASB Statement No. 85 has no effect to the basic financial statements

GASB Statement No. 86 – *Certain Debt Extinguishment Issues*. The requirements of this statement are effective for periods beginning after June 15, 2017. The Authority has determined the implementation of GASB Statement No. 86 has no effect to the basic financial statements

Recently released GASB standards affecting future years are as follows:

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The requirements of this statement are effective for periods beginning after June 15, 2018. The Authority has not fully judged the effect of the implementation of GASB Statement No. 83 as of the date of the basic financial statements.

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

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

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The provisions of GASB Statement No. 88 are effective for financial statements beginning after June 15, 2018. The Authority has not fully judged the effect of the implementation of GASB Statement No. 88 as of the date of the basic financial statements.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – BUDGET OVER APPROPRIATIONS

Excess expenditures exceeded the budgeted amounts at June 30, 2018 as follows:

General Fund	
Peoplesoft	\$74

NOTE 9 – SUBSEQUENT EVENTS

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the basic financial statements. Events were considered through November 21, 2018, which is the date of issuance of the Authority's independent audit report. The Authority identified no subsequent events that required disclosure.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than MD&A)

**FRESNO COUNTY ZOO AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Resources:				
Sales tax	\$ 266,901	\$ 266,901	\$ 300,692	\$ 33,791
Interest	<u>12,500</u>	<u>12,500</u>	<u>25,785</u>	<u>13,285</u>
Total resources	<u>\$ 279,401</u>	<u>\$ 279,401</u>	<u>\$ 326,477</u>	<u>\$ 47,076</u>
Charges to appropriations:				
Current:				
Office expenses	\$ 6,000	\$ 6,000	\$ 3,417	\$ 2,583
Professional and specialized services	196,869	196,869	136,143	60,726
Postage	1,000	1,000	361	639
Data processing services	1,500	1,500	-	1,500
Memberships	500	500	-	500
Transportation, travel, and education	2,500	2,500	-	2,500
Publications and legal notices	500	500	-	500
Telephone	250	250	-	250
PeopleSoft Financials Charges	800	800	874	(74)
Contingencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>209,919</u>	<u>209,919</u>	<u>140,795</u>	<u>69,124</u>
Change in net position	<u>\$ 69,482</u>	<u>\$ 69,482</u>	185,682	<u>\$ 116,200</u>
NET POSITION				
Net position - beginning			<u>1,409,078</u>	
Net position - ending			<u>\$ 1,594,760</u>	

The accompanying notes are an integral part of this schedule.

**NOTE TO BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

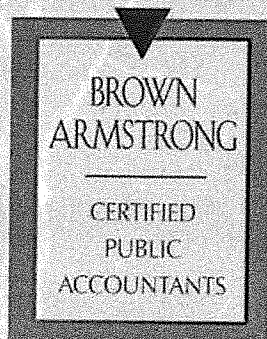
Budgets and Budgetary Data

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

A budgetary comparison schedule for the general fund is presented on Page 24. Its purpose is to demonstrate compliance with the approved budget for fiscal year 2017-2018. Actual expenditures appearing on the schedule are presented using the accrual basis of accounting.

For fiscal year 2017-2018, \$85 of encumbered fiscal year 2016-2017 appropriations were expended in addition to \$140,710 in current appropriations for a total of \$140,795 in charges to appropriations.

OTHER AUDITOR'S REPORT



BROWN ARMSTRONG

Certified Public Accountants

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

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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTON AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of Fresno County Zoo Authority (the Authority), as of and for the year ended June 30, 2018, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 21, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

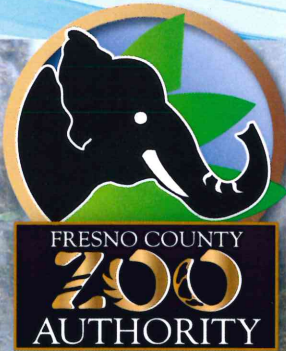
Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 21, 2018



FINAL DRAFT

WILDERNESS FALLS

Children's Play Area

FRESNO CHAFFEE ZOO



Zoo Authority Report

2017-2018

Zoo Authority Report

2017-2018

Introduction by the Chair of the Zoo Authority Board

Acknowledgements

2018 Fresno County Zoo Authority Board and Staff

2017-2018 Milestones and Highlights

Treasurer's Exhibits

Introduction to Zoo Authority Financial Statements

Appendix A - Financial Statement
with Independent Auditor's Report

Page

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4

5

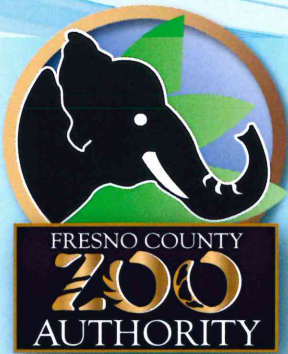
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9

10



Connect to nature at Fresno Chaffee Zoo's newest attraction!



MICHELLE ROMAN
CHAIRMAN

PAUL A. TOSTE, DVM
VICE CHAIRMAN

PETER HERZOG
BOARD MEMBER

GERALD V. LYLES
BOARD MEMBER

KENT L. STRATFORD
BOARD MEMBER

RALPH WATERHOUSE
BOARD MEMBER

LEE BRAND
BOARD MEMBER

OLIVER BAINES
MAYOR'S ALTERNATE

ADDRESS: 2220 Tulare Street, 6th Floor Fresno, CA 93721
PHONE: 559.600.4305 **EMAIL:** zooauthority@co.fresno.ca.us
WEB: www.zooauthority.org

News from The Zoo Authority

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

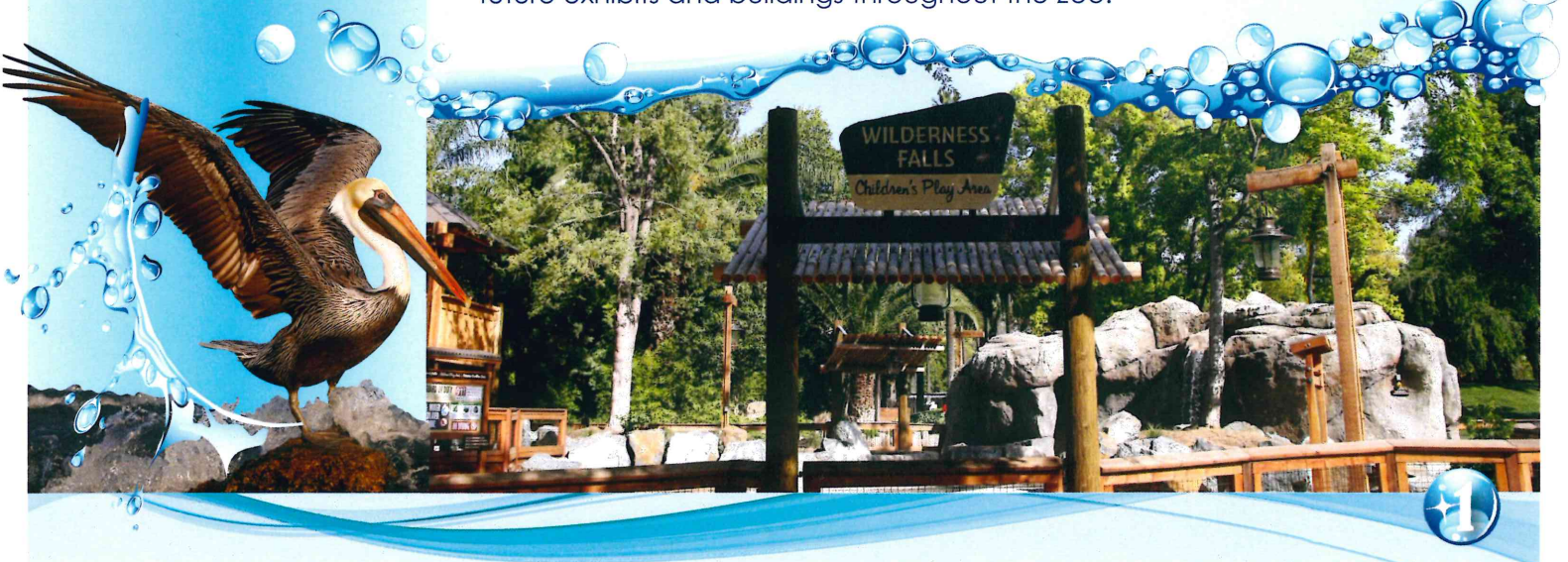
Dear Supervisors,

On behalf of the members of the Fresno County Zoo Authority Board, I am pleased to present our Annual Report for fiscal year 2017-18.

This year's report features Wilderness Falls, the latest addition to Fresno Chaffee Zoo. In this Sierra Nevada-themed children's water play area, bronze sculptures of native animals can be found while splashing in a waterfall and shallow stream. Also completed this year was the expansion of the adjacent Dino Dig, where there are more "fossils" to discover and other improvements, including shady seating for families to rest and watch the fun.

During 2017, Fresno Chaffee Zoo welcomed 833,114 visitors from throughout the region, state, nation and the world. In addition to tourism, Fresno Chaffee Zoo benefits the area's economy by employing 139 full-time and 94 part-time staff, using local labor for Measure Z funded projects that pay prevailing wages, and whenever possible, purchasing feed, services and supplies locally. The Measure Z sales tax has generated an amazing \$153 million since first approved by Fresno County voters in 2004. To date, \$119 million has been reimbursed for exhibits and operations, helping to create the beautiful Zoo we have today. There is much more to come, thanks to the 2014 extension that reserves one cent in sales tax for the Zoo on every ten dollars spent.

Construction is under way on two Measure Z-funded projects: a warthog exhibit near the lions and meerkats, and the other is the replacement and modernization of aging utilities infrastructure to accommodate current and future exhibits and buildings throughout the Zoo.



News from The Zoo Authority

Free with admission, Wilderness Falls is an interactive area, that allows children to cool off and make a splash in a waterfall, follow footprints, explore the wilderness, and discover the fire lookout tower plus more!



Currently in design are a home building for the Zoomobile's Ambassador Animals, and the Zooplex building that will incorporate food preparation and storage, as well as offices and space for staff. Also, look for the re-design of the Asia area that will include improvements to orangutan, Malaysian tiger, Asian rhino, Komodo dragon and sloth bear exhibits, as well as exhibits for new Asian animals.

In the fiscal year concluded June 30, 2018, the unaudited Measure Z proceeds received was a record \$14,316,990, and there was a total balance of \$38,364,944 available to Fresno Chaffee Zoo for future projects or maintenance and operations. Measure Z funded reimbursements for expenses totaled \$8,266,500, including \$4,495,609 for maintenance and operations, and \$3,770,891 for capital projects.

The one-tenth of one percent Measure Z sales tax proceeds are received into three Fresno County managed funds: one third for maintenance and operations, two thirds for capital projects, and two percent for Authority administrative costs. Since inception, Fresno Chaffee Zoo has been reimbursed \$44,917,529 for maintenance and operations, and \$74,066,658 for capital projects.

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

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

I would like to express our appreciation to the Fresno County Employees' Retirement Association Director Donald Kendig and his staff who have graciously hosted our board meetings and assisted our staff since 2005. Their generosity and technical expertise, as well as their beautiful new offices and board room, make it a pleasure to hold our meetings there.

I also would like to recognize the contribution of City of Fresno District 3 Councilmember Oliver Baines, who has been a member of our Board for eight years as the Mayor's alternate under both Mayors Swearengen and Brand. We appreciate the collaborative efforts between the City of Fresno and the Zoo Corporation, and with the Authority, as all parties continue to support future development and sustainability of Fresno Chaffee Zoo in Roeding Park.

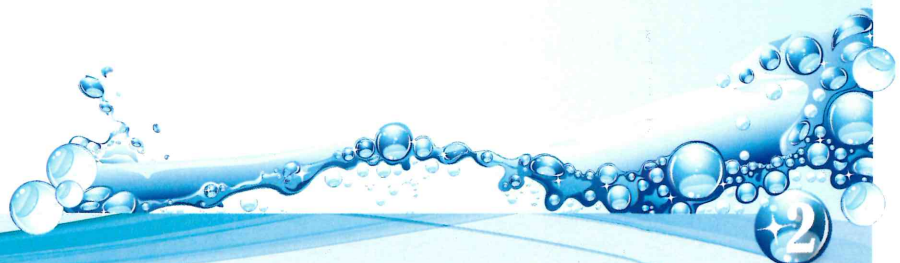
I know you will agree that our Zoo is a special jewel in California's Central Valley, and I speak for all Authority Board members when I say that we look forward to many successful years to come!

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

Respectfully,

Michelle Roman

Michelle Roman
2017 Board Chairman
Fresno County Zoo Authority



Acknowledgements

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

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

ADMINISTRATIVE OFFICE

JOHN HAYS / Principal Administrative Analyst

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

ELIZ MANOUKIAN / Accounting and Financial Manager

PAI HER, Account Clerk I

COUNTY COUNSEL

JOAN CUADROS / Executive Assistant

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

DONALD KENDIG / Retirement Administrator

ELIZABETH AVALOS / Administrative Secretary

KIM ZEPEDA / Systems Procedures Analyst II

STEVE MAYER / Systems Procedures Analyst I

INTERNAL SERVICES DEPARTMENT, GRAPHIC COMMUNICATION SERVICES

GINA BARR-HILL / Graphic Arts Specialist II

INTERNAL SERVICES DEPARTMENT, INFORMATION TECHNOLOGY DIVISION

DANIEL MOORE / Information Technology Manager

RAMIRO PUENTES / Information Technology Analyst II

PUBLIC WORKS AND PLANNING

CAROL PRATT / Principal Accountant

KAYING VANG / Principal Accountant

SHERRI GRAHAM / Program Technician II

JASON YANG / Information Technology Analyst III

PAT SRISUKWATANA / Senior Systems & Procedures Analyst



ANNUAL REPORT DESIGNED BY:

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



Board and Staff

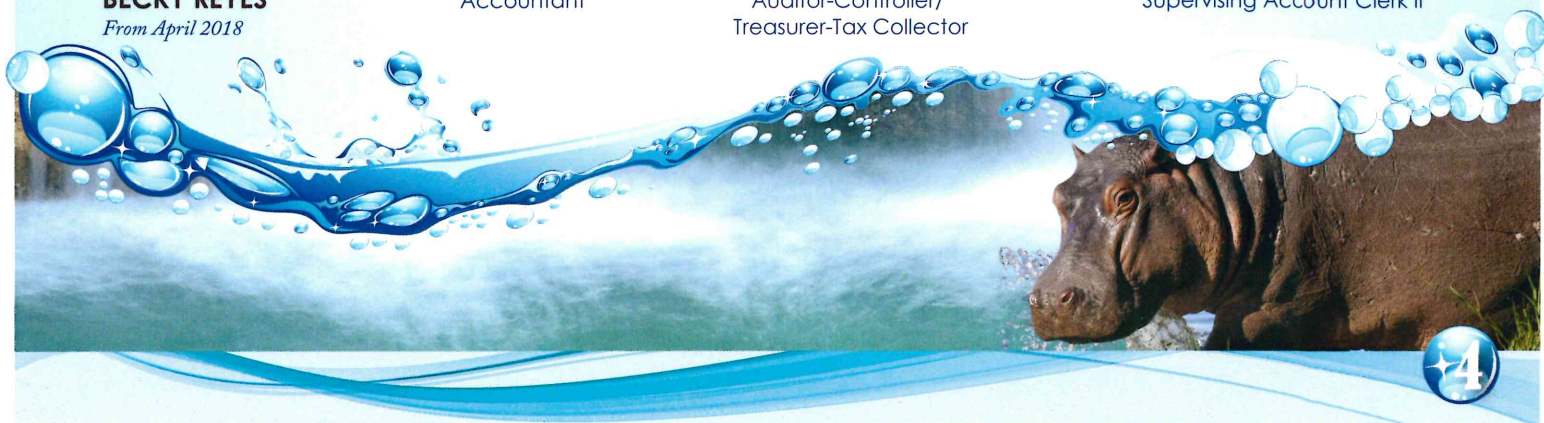


ZOO AUTHORITY BOARD 2017-18

	Position / Term Expiration	Original Appointment
PAUL A. TOSTE, DVM <i>Nominated by: District 1 Supervisor Brian Pacheco</i>	Vice Chairman <i>Term Expiration: 1/7/2019</i>	2/8/2005
GERALD V. LYLES <i>Nominated by: District 2 Supervisor Andreas Borgeas</i>	Board Member <i>Term Expiration: 1/9/2021</i>	3/8/2005
KENT L. STRATFORD <i>Nominated by: District 3 Supervisor Sal Quintero</i>	Board Member <i>Term Expiration: 1/9/2021</i>	2/8/2005
MICHELLE ROMAN <i>Nominated by: District 4 Supervisor Buddy Mendes</i>	Chairman <i>Term Expiration: 1/7/2019</i>	7/14/2015
PETER HERZOG <i>Nominated by: District 5 Supervisor Nathan Magsig</i>	Board Member <i>Term Expiration: 1/4/2021</i>	9/10/2013
RALPH WATERHOUSE <i>Nominated by: 2018 Board of Supervisors Chairman Sal Quintero</i>	Board Member <i>Term Expiration: 1/7/2019</i>	1/10/2006
LEE BRAND <i>Ex Officio - Mayor of Fresno</i>	Board Member	Upon oath of office 1/5/2017
OLIVER BAINES <i>Mayor's Appointment - Fresno City Councilmember, District 3</i>	Mayor's Alternate	1/28/2011

ZOO AUTHORITY STAFF 2017-18

Staff Member	Zoo Authority Title	County Department	County Title
JEAN ROUSSEAU	Administrator	County Administrative Office	County Administrative Officer
CATHERINE CROSBY	Coordinator	Public Works and Planning	Staff Analyst III
JANE T. SMITH <i>Through March 2018</i>	Counsel	County Counsel	Deputy County Counsel
LINDSAY BEAVERS <i>From April 2018</i>	Counsel	County Counsel	Deputy County Counsel
MEGAN MARKS <i>Through May 2018</i>	Treasurer	Auditor-Controller/ Treasurer-Tax Collector	Accounting & Finance Manager
JOSE REYNOSO <i>From May 2018</i>	Treasurer	Auditor-Controller/ Treasurer-Tax Collector	Accountant II
APAO XIONG <i>Through November 2017</i>	Accountant	Auditor-Controller/ Treasurer-Tax Collector	Accountant I
BECKY REYES <i>From April 2018</i>	Accountant	Auditor-Controller/ Treasurer-Tax Collector	Supervising Account Clerk II



2017~18 Milestones & Highlights

BIG DINO DIG ENHANCEMENTS!

More fun added for families to have a roaring good time!



MEASURE Z & FUNDING RESULTS

2003

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

2004

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

2006

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

2007

- Maintenance and renovation projects throughout the Zoo

2008

- Master planning and pre-design engineering in progress.

2009

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

2010

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

2012

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

2013

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

2014

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

2015

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

2016

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

2017

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

FISCAL YEAR 2017-18

- Zoo presents updated Master Plan.
- Approved \$193,000 for Belmont Basin Relief Line construction.
- Approved \$889,000 for Zooplex design.
- Approved \$267,000 for Asian Exhibits conceptual and schematic design.
- Approved \$119,350 for South Corridor Infrastructure project design and \$2,985,794 for construction of new utilities including fiber optic, electric, water, storm water and sewer lines.
- Approved \$3,070,228 for Warthog exhibit construction.

BE CURIOUS... EXPLORE MORE!



UNAUDITED EXHIBITS

From the Treasurer

EXHIBIT A

Fresno County Zoo Authority
Cash Balance

EXHIBIT B

Cash Disbursement
by Category to Fresno's Chaffee
Zoo Corporation during Fiscal Year 2017-18

EXHIBIT C

Cash Disbursements by Fund to Fresno's Chaffee
Zoo Corporation during Fiscal Year 2017-18

EXHIBIT D

Fresno County Zoo Authority Measure Z
Sales Tax Proceeds Budget (Cash Basis)
for Fiscal Year Ended June 30, 2018

EXHIBIT E

Fresno County Zoo Authority Measure Z
Sales Tax Proceeds (Cash Basis) by
Fiscal Year From Inception
to June 30, 2018



EXHIBIT A

UNAUDITED EXHIBITS

From the Treasurer

EXHIBIT A, B & C

Measure Z Cash Balance

As of June 30, 2018

CASH AVAILABLE FOR ADMINISTRATION (2%)
Fresno County Zoo Authority 1,551,011

CASH FOR ZOOLOGICAL ACTIVITIES (98%)
Operations 6,325,142
Capital Projects 32,039,802
Total Cash Available for Zoological Activities 38,364,944

TOTAL CASH BALANCE
as of June 30, 2018 **\$39,915,955**

Cash Disbursements by Category To Fresno's Chaffee Zoo Corporation During Fiscal Year 2017-18

FOR OPERATIONS

Salaries & Benefits 3,740,661
Animal Feed 386,670
Utilities 368,158
Bank Charges 120

TOTAL OPERATIONS

Disbursed to FCZC **\$4,495,609**
During Fiscal Year 2017-18

EXHIBIT B

FOR CAPITAL PROJECTS

Capital Improvements 3,770,731
Bank Charges 160

Total Capital Projects Disbursed
to FCZC During Fiscal Year 2017-18 **\$3,770,891**

TOTAL FCZC DISBURSEMENTS **\$8,266,500**

Fiscal Year Cash Disbursements by Fund to Fresno's Chaffee Zoo Corp.

FROM INCEPTION TO JUNE 30, 2018 (FIRST 10 YEARS)

FY 2006-16

Operations 35,977,941
Capital Projects 70,165,081

Total Disbursements **\$106,143,022**

FY 2017

Operations 4,443,979
Capital Projects 130,686

Total Disbursements **\$4,574,665**

FY 2018

Operations 4,495,609
Capital Projects 3,770,891

TOTAL DISBURSEMENTS **\$8,266,500**

EXHIBIT C

TOTAL 2006-2018

Operations 44,917,529
Capital Projects 74,066,658

\$118,984,187

UNAUDITED EXHIBITS

From the Treasurer EXHIBIT D & E

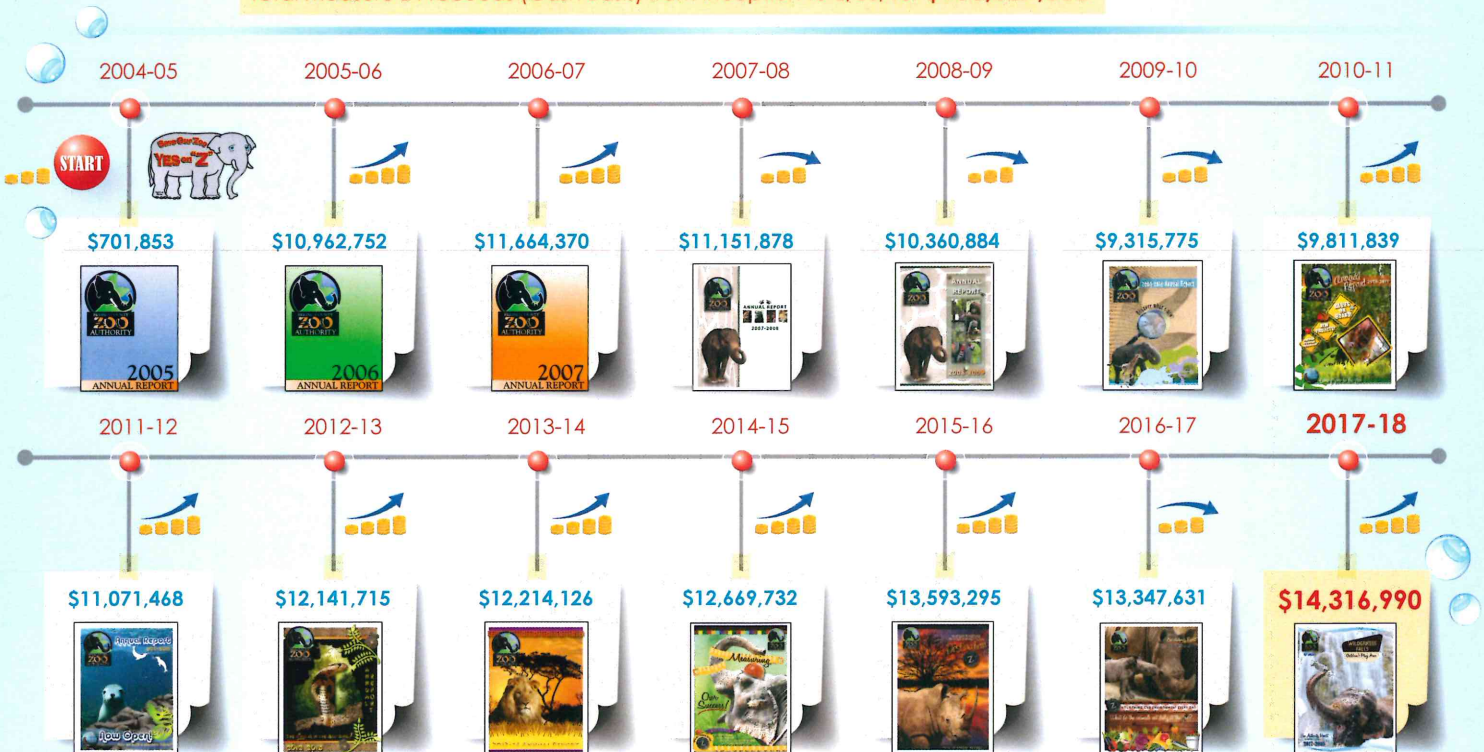


EXHIBIT D Fresno County Zoo Authority Measure Z Sales Tax Proceeds Budget (Cash Basis) For the Fiscal Year Ended June 30, 2018



EXHIBIT E Fresno County Zoo Authority Measure Z Sales Tax Proceeds (Cash Basis) By Fiscal Year From Inception to June 30, 2018

Total Measure Z Proceeds (Cash Basis) from Inception to 6/30/18: **\$153,324,308**



INTRODUCTION TO AUDITED FINANCIAL STATEMENTS

Audited Financial Statements

The Zoo Authority's financial statements for fiscal year ended June 30, 2018 were audited by Brown Armstrong, Certified Public Accountants, which is an independent accounting firm. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These audited financial statements, as well as the independent auditor's report are presented in Appendix A. The notes to the financial statements should be read in conjunction with the statements as they are an integral part of the statements and provide disclosures required by generally accepted accounting principles (GAAP).

Financial highlights can be found on page 3 of the financial statements. Additional information, which is an integral part of the financial statements, can be found on pages 16-22.

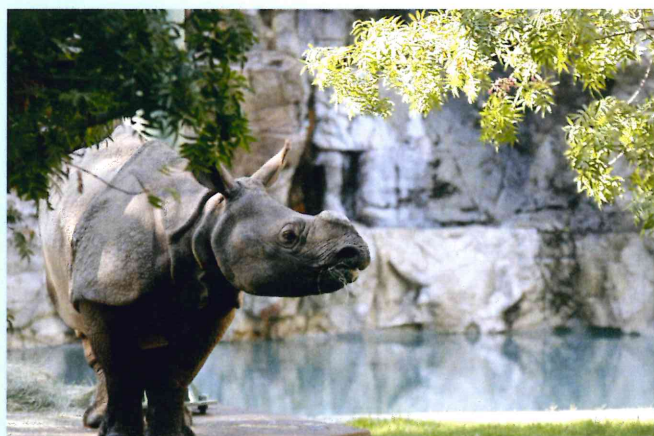
Financial information for administration by the Zoo Authority is presented in pages 9-12. Financial information in relation to the operations and capital projects trust funds (funds for zoological purposes) is presented in pages 13-14.

As further discussed on page 19 of the financial statements, the Authority adopted an operating budget for fiscal year ended June 30, 2018. The variation between estimated and actual revenue and expenditures is presented in the Budgetary Comparison Schedule on page 25.

DISBURSEMENTS TO FRESNO'S CHAFFEE ZOO CORPORATION

During fiscal year 2018, a total of \$8,002,956 was disbursed to the Fresno's Chaffee Zoo Corporation; \$4,456,566 for operations and \$3,546,390 for capital projects.¹ The Statement of Fiduciary Net Position on page 13 presents cash balances available for operations and capital projects to be used for Zoological purposes as of June 30, 2018. This statement also presents funds held in trust for operations and capital projects based on the accrual basis of accounting.

¹ Due to the time required to prepare the Annual Report prior to the completion of the independent audit, the Authority has included cash basis figures from the June 30, 2018 Treasurer's Report for the front pages. These differ from the figures in the audit, dated November 21, 2018.



APPENDIX A

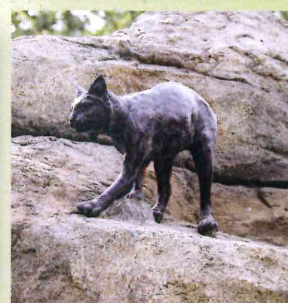
Financial Statement With Independent Auditor's Report

Spotlight on sculpture found at the Chaffee Zoo Created by the Mark Rossi Studio

Mark Rossi's continued interest in nature and art emerged at an early age. With both parents formally trained in fine arts. His love of the Southwest was deeply affected by his mother's Apache, Pueblo, and Spanish New Mexican heritage and the traditions she instilled. When he was ten, he began observing his father, prominent Western artist and former Gilcrease Museum of Art director, Paul Rossi, as he worked in his studio and foundry. The artists, conservators, and historians who frequented the museum inspired his artistic pursuit. Mark went on to study at the University of Tulsa and at the University of Arizona in Tucson.

Living for many years at the base of the magnificent Catalina Mountains north of Tucson, Rossi studies desert plants and wildlife while hiking and riding horseback in the hills and ravines. In the tradition of early pilgrimages and journeys through the Southwest, his solitary travels are a spiritual meditation. He knows the bajada well, that weathered slope at the foot of the mountains. In the rocky soil grow the saguaro cactus, palo verde, mesquite, and the most tenacious of all, the creosote bush. The earthy smell of creosote after a summer monsoon has no equal. Heard always are the songs of the white wing dove and Gambel's quail. Cottontails and blacktail jackrabbits, coyotes, white-tailed deer, and bighorn sheep graze the rocky slopes of Pusch Ridge.

With humility and humor, Rossi allows the viewer to observe a quiet moment in the life of the subject he sculpts. *"Although my work is realistic, I'm not interested in sculpting copies of nature. I've become more relaxed and learned to let the materials show me what they can do. I want to allow the form to emerge from the clay and metal. Cast bronze is an extremely plastic and durable medium to work with."* Run your hands over the surface of Rossi's bronzes; the details made by his hands and tools are evident.





FY 2018 October Board Financial Report

Discussion of Financial Results

YTD as of October 31, 2018

Key Facts & Figures:

- **October YTD attendance of 705,403 was 4.8% less than the YTD budgeted attendance of 741,000, and is virtually equal to the October 2017 YTD attendance of 705,461.**
- **October YTD self-generated revenue of \$9,182,131 was \$221,532 greater than the YTD budgeted self-generated revenue of \$8,960,599, and was \$1,792,528 greater than the October 2017 YTD self-generated revenue of \$7,389,603. This increase over 2017 was due primarily to a \$834,858 increase in Admissions Revenue, which can be attributed to the 2018 admission price increase. Gift Shop, Special Events, and Membership continue to perform well compare to budget.**
- **October YTD personnel expenses were 1.4% above budget due principally to overtime in Animal, Education, and Visitor Services.**
- **October YTD other expenses were 9.5% under budget due principally to timing and less resources required than budgeted.**
- **October YTD net deficit from operations was \$2,824,957 compared to the budgeted deficit of \$3,468,114. The \$643,157 positive variance was the cumulative effect of the increase in self-generated revenue and underspending of other expenses.**

Discussion of Financial Results YTD as of October 31, 2018

Per Capita Data:

Area	2018	Budget	2017	Capture Rate 2018	Capture Rate 2017
Admissions	\$5.41	\$6.02	\$4.23	N/A	N/A
Concessions	\$0.85	\$0.85	\$0.84	N/A	N/A
Gift Shop	\$0.58	\$0.56	\$0.55	N/A	N/A
Giraffe Feeding	\$0.65	\$0.68	\$0.65	23%	28%
Stingray Bay	\$0.35	\$0.40	\$0.38	29%	39%

Fresno's Chaffee Zoo Corporation

Balance Sheet

October 31, 2018

	October 2018	September 2018
ASSETS		
Current Assets		
Cash	\$203,118	\$404,854
Short Term Investments-Retention	\$47,092	\$10,000
Accounts Receivable	\$1,658,019	\$2,736,850
Prepaid Expenses	\$118,150	\$92,713
Deferred Maintenance	\$155,384	\$155,384
Total Current Assets	\$2,181,763	\$3,399,801
Other Assets		
Long Term Investments	\$10,699,674	\$11,344,259
Buildings, Equipment, Vehicles, and Furniture (net)	\$2,852,242	\$2,731,329
Exhibits	\$61,568,967	\$61,568,967
Construction in Progress	\$7,978,843	\$6,855,684
Total Other Assets	\$83,099,726	\$82,500,240
TOTAL ASSETS	\$85,281,489	\$85,900,041
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Liabilities	\$2,016,035	\$2,084,774
Line of Credit	\$0	\$0
Retention Payable	\$246,070	\$133,031
Total Liabilities	\$2,262,104	\$2,217,805
Net Assets		
Fund Balance-Unrestricted	\$81,245,203	\$82,100,281
Fund Balance-Temporarily Restricted	\$1,715,730	\$1,519,945
Fund Balance-Permanently Restricted	\$58,452	\$62,011
Total Net Assets	\$83,019,385	\$83,682,237
TOTAL LIABILITIES AND NET ASSETS	\$85,281,489	\$85,900,041

Fresno's Chaffee Zoo Corporation
Income Statement
For the Ten Months Ended October 31, 2018

	FY18 Budget	YTD Actual @ 10/31/18	YTD Budget @ 10/31/18	Variance
REVENUE				
Self Generated Income				
Admissions	\$5,138,738	\$3,817,695	\$4,316,422	(11.6)%
Adopt an Animal	\$35,000	\$13,460	\$29,167	(53.9)%
Education	\$441,550	\$428,863	\$367,958	16.6 %
Food Services	\$725,050	\$601,178	\$609,042	(1.3)%
Gift Shop	\$477,680	\$411,103	\$401,251	2.5 %
Giraffe Feeding	\$580,040	\$461,264	\$487,234	(5.3)%
Grants and Fundraising	\$325,450	\$473,256	\$271,208	74.5 %
Group Event/Facility Rental	\$575,000	\$538,233	\$479,167	12.3 %
Membership	\$1,337,750	\$1,281,221	\$1,114,792	14.9 %
Special Events	\$732,850	\$583,763	\$527,500	10.7 %
Stingray Exhibit	\$341,200	\$247,054	\$286,608	(13.8)%
Other Income	\$84,000	\$325,043	\$70,250	362.7 %
Total Self-Generated Revenue	\$10,794,308	\$9,182,131	\$8,960,599	2.5 %
EXPENSES				
Personnel Expenses				
Administration	\$1,103,542	\$854,293	\$931,489	(8.3)%
Animal	\$3,209,916	\$2,790,275	\$2,715,296	2.8 %
Education	\$961,204	\$928,096	\$813,179	14.1 %
Maintenance/Horticulture	\$906,885	\$742,293	\$767,225	(3.2)%
Marketing/Membership/Development/Events	\$805,292	\$689,443	\$681,277	1.2 %
Operations	\$118,234	\$87,137	\$100,026	(12.9)%
Veterinary	\$362,806	\$278,459	\$306,827	(9.2)%
Visitor Services	\$802,357	\$721,585	\$678,922	6.3 %
Total Personnel Expenses	\$8,270,236	\$7,091,582	\$6,994,241	1.4 %

Fresno's Chaffee Zoo Corporation
Income Statement
For the Ten Months Ended October 31, 2018

	FY18 Budget	YTD Actual @ 10/31/18	YTD Budget @ 10/31/18	Variance
Other Expenses				
Advertising	\$388,300	\$207,387	\$323,583	(35.9)%
Animal Services	\$562,000	\$428,712	\$477,422	(10.2)%
Bank and Credit Card Fees	\$185,630	\$161,637	\$154,692	4.5 %
Community Support	\$75,000	\$25,500	\$62,500	(59.2)%
Conservation	\$250,000	\$152,377	\$208,333	(26.9)%
Contracted Services	\$684,600	\$673,745	\$574,125	17.4 %
Depreciation	\$464,000	\$386,667	\$386,667	0.0 %
Dues and Subscriptions	\$54,100	\$36,267	\$45,767	(20.8)%
Equipment Expense	\$213,975	\$186,106	\$178,646	4.2 %
Event Expense	\$626,045	\$532,061	\$495,291	7.4 %
Fleet Expense	\$39,100	\$18,912	\$32,583	(42.0)%
Food and Catering	\$56,300	\$16,631	\$36,808	(54.8)%
Insurance	\$185,000	\$175,709	\$154,167	14.0 %
Interest Expense	\$12,500	\$7,561	\$10,417	(27.4)%
IT	\$127,770	\$67,074	\$102,475	(34.5)%
Mileage, Tolls, and Parking	\$3,340	\$1,004	\$2,792	(64.0)%
Miscellaneous Business Expenses	\$8,750	\$10,351	\$7,342	41.0 %
Office Supplies	\$32,600	\$14,284	\$27,166	(47.4)%
Postage	\$51,325	\$36,193	\$42,812	(15.5)%
Printing	\$151,825	\$90,636	\$126,304	(28.2)%
Professional Services	\$195,000	\$93,451	\$170,000	(45.0)%
Recognition	\$9,500	\$4,095	\$7,917	(48.3)%
Recruiting	\$10,500	\$12,398	\$8,750	41.7 %
Repairs and Replacements	\$437,470	\$323,821	\$364,562	(11.2)%
Signage	\$28,409	\$32,308	\$24,007	34.6 %
Specialized Services	\$46,750	\$20,721	\$41,458	(50.0)%

Fresno's Chaffee Zoo Corporation

Income Statement

For the Ten Months Ended October 31, 2018

	FY18 Budget	YTD Actual @ 10/31/18	YTD Budget @ 10/31/18	Variance
Staff Development	\$206,162	\$113,213	\$177,268	(36.1)%
Supplies	\$493,325	\$333,407	\$411,766	(19.0)%
Telephone	\$67,295	\$39,961	\$56,079	(28.7)%
Uniforms	\$40,850	\$25,729	\$34,108	(24.6)%
Utilities	\$790,000	\$678,935	\$679,167	(0.0)%
Other Expense	\$11,398	\$8,650	\$9,498	(8.9)%
Total Other Expenses	\$6,508,819	\$4,915,506	\$5,434,472	(9.5)%
Total Expenses	\$14,779,055	\$12,007,088	\$12,428,713	(3.4)%
Net Surplus (Deficit) from Operations	(\$3,984,747)	(\$2,824,957)	(\$3,468,114)	(18.5)%
Non Operating Revenue and Expense				
Non Operating Revenue				
Measure Z Operating Funds	\$4,442,222	\$3,825,248	\$3,747,544	2.1 %
Measure Z Capital Funds	\$0	\$2,521,105	\$0	0.0 %
Interest Income	\$380,000	\$107,321	\$195,000	(45.0)%
Investment Income	\$0	(\$366,346)	\$0	0.0 %
Board Designated Endowment Funds	\$10,000	\$64,257	\$0	0.0 %
Total Non Operating Revenue	\$4,832,222	\$6,151,585	\$3,942,544	56.0 %
Non Operating Expense				
Measure Z Depreciation	\$0	\$3,289,000	\$0	0.0 %
Measure Z Bank Fees	\$120	\$220	\$100	120.0 %
Total Non Operating Expense	\$120	\$3,289,220	\$100	0.0 %
Total Non Operating Revenue and Expense	\$4,832,102	\$2,862,365	\$3,942,444	(27.4)%
NET SURPLUS/(DEFICIT)	\$847,355	\$37,408	\$474,330	(92.1)%

October 2018

MTD Attendance			
	<u>2018</u>	<u>2017</u>	Increase/ Decrease
Attendance	59,506	64,284	-7%
Paid	22,088	27,612	-20%
Members	15,218	14,561	5%
Group	5,752	5,238	10%
Other	16,448	16,873	-3%
Giraffe Feeding	12,198	12,411	-2%
Capture Rate	20%	19%	0%
Stingray Bay	11,154	13,767	-19%
Capture Rate	19%	21%	-12%

MTD Revenue			
	<u>2018</u>	<u>2017</u>	Increase/ Decrease
Admissions	\$237,426	\$217,793	9%
Per Cap	\$3.99	\$3.39	18%
Giraffe Feeding	\$33,856	\$35,405	-4%
Per Cap	\$0.57	\$0.55	3%
Stingray Bay	\$13,135	\$18,464	-29%
Per Cap	\$0.22	\$0.29	-23%
Membership	\$103,766	\$89,290	16%

	<u>2018</u>	<u>2017</u>	Increase/ Decrease
Contracted Services			
Concessions	\$49,807	\$53,000	-6%
Per Cap	\$0.84	\$0.82	2%
Gift Shop	\$32,035	\$35,000	-8%
Per Cap	\$0.54	\$0.54	-1%

YTD Attendance				2017 Unaudited
	<u>2018</u>	<u>2017</u>	Increase/ Decrease	
Attendance	705,403	705,461	0%	833,114
Paid	338,998	360,101	-6%	406,567
Members	200,323	182,990	9%	212,678
Group	91,881	88,432	4%	96,527
Other	74,201	73,938	0%	117,342
Giraffe Feeding	163,832	194,935	-16%	223,199
Capture Rate	23%	28%	-16%	27%
Stingray Bay	203,390	276,909	-27%	287,677
Capture Rate	29%	39%	-27%	35%

YTD Revenue				2017 Unaudited
	<u>2018</u>	<u>2017</u>	Increase/ Decrease	
Admissions	\$3,817,695	\$2,982,837	28%	\$3,671,049
Per Cap	\$5.41	\$4.23	28%	\$4.41
Giraffe Feeding	\$461,264	\$459,608	0%	\$530,032
Per Cap	\$0.65	\$0.65	0%	\$0.64
Stingray Bay	\$247,054	\$265,007	-7%	\$297,244
Per Cap	\$0.35	\$0.38	-7%	\$0.36
Membership	\$1,281,221	\$1,082,222	18%	\$1,314,128

	<u>2018</u>	<u>2017</u>	Increase/ Decrease	2017 Unaudited
Contracted Services				
Concessions	\$601,178	\$589,647	2%	\$675,311
Per Cap	\$0.85	\$0.84	2%	\$0.81
Gift Shop	\$411,103	\$386,107	6%	\$438,302
Per Cap	\$0.58	\$0.55	6%	\$0.53

Key:

Equal to or ahead of 2017
 2% or less behind 2017
 More than 2% behind 2017

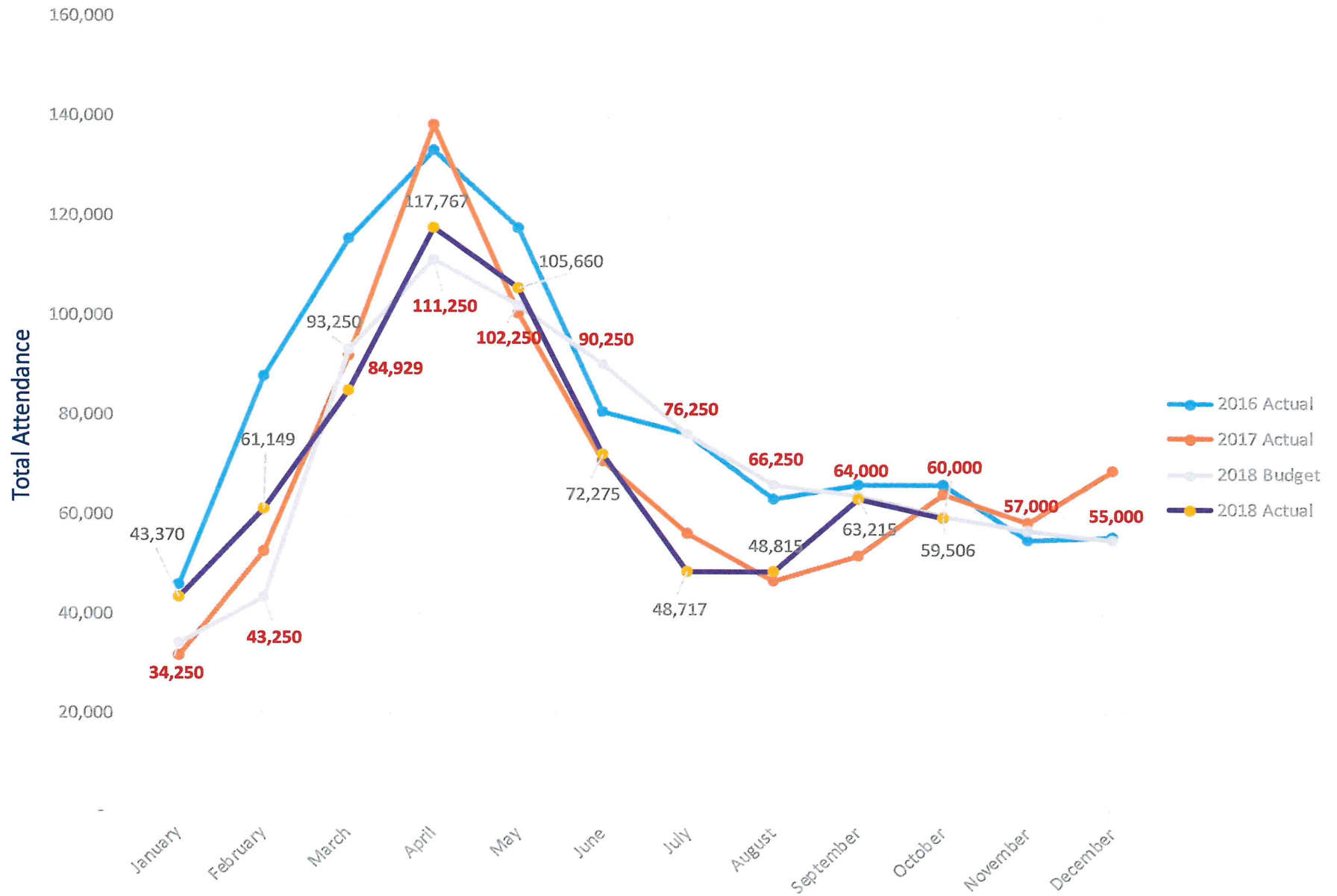
Fresno Chaffee Zoo
SUMMARY OF KEY INDICATORS
October 2018

	FY 18 Year-to-Date		
	Actuals	Budgeted	Difference
Attendance	705,403	741,000	(35,597)

	FY 18 Year-to-Date		
	Actuals	Budgeted	Difference
Revenue	\$9,182,131	\$8,960,599	\$221,532
Payroll	\$7,091,582	\$6,994,241	\$97,341
Operating Expenses	\$4,915,506	\$5,434,472	(\$518,966)
Net Surplus (Deficit)	(\$2,824,957)	(\$3,468,114)	\$643,157
Measure Z Operating	\$3,825,248	\$3,747,544	\$77,704

	FY 18 vs. FY 17 Year-to-Date		
	Oct-18	Oct-17	Difference
Attendance	705,403	705,461	(58)
Revenue	\$9,182,131	\$7,389,603	\$1,792,528
Payroll	\$7,091,582	\$6,463,523	\$628,059
Operating Expenses	\$4,915,506	\$4,350,971	\$564,535
Net Surplus (Deficit)	(\$2,824,957)	(\$3,424,890)	\$599,933
Measure Z Operating	\$3,825,248	\$3,712,452	\$112,796

Fresno's Chaffee Zoo Monthly Attendance by Year





FY 2018 November Board Financial Report

Discussion of Financial Results

YTD as of November 30, 2018

Key Facts & Figures:

- November YTD attendance of 759,977 was 4.8% less than the YTD budgeted attendance of 798,000, and is 0.5% less than the November 2017 YTD attendance of 764,122.
- November YTD self-generated revenue of \$9,748,542 was \$190,231 lower than the YTD budgeted self-generated revenue of \$9,938,773 and \$1,775,604 greater than the November 2017 YTD self-generated revenue of \$7,972,938. This increase over 2017 was due primarily to a \$862,085 increase in Admissions Revenue, which can be attributed to the 2018 admission price increase. Education, Special Events and Membership continue to perform well compare to budget. Income from grants include \$200,000 for the Africa thatch reimbursement and a \$233,000 donation for paving pathways with concrete.
- November YTD personnel expenses were 1.7% above budget due primarily to overtime in Animal, Education, and Visitor Services.
- November YTD other expenses were 9.5% under budget due primarily to timing and less resources required than budgeted.
- November YTD net deficit from operations was \$3,442,538 compared to the budgeted deficit of \$3,692,983. The \$250,445 positive variance was the cumulative effect of the increase in self-generated revenue and underspending of other expenses.

Discussion of Financial Results YTD as of November 30, 2018

Per Capita Data:

Area	2018	Budget	2017	Capture Rate 2018	Capture Rate 2017
Admissions	\$5.35	\$6.02	\$4.19	N/A	N/A
Concessions	\$0.84	\$0.85	\$0.83	N/A	N/A
Gift Shop	\$0.58	\$0.56	\$0.54	N/A	N/A
Giraffe Feeding	\$0.65	\$0.68	\$0.65	23%	28%
Stingray Bay	\$0.34	\$0.40	\$0.37	28%	38%

Fresno's Chaffee Zoo Corporation

Balance Sheet

November 30, 2018

	November 2018	October 2018
ASSETS		
Current Assets		
Cash	(\$357,586)	\$203,118
Short Term Investments-Retention	\$148,315	\$47,092
Accounts Receivable	\$1,806,376	\$1,658,019
Prepaid Expenses	\$112,083	\$118,150
Deferred Maintenance	\$155,384	\$155,384
Total Current Assets	\$1,864,573	\$2,181,763
Other Assets		
Long Term Investments	\$10,814,509	\$10,699,674
Buildings, Equipment, Vehicles, and Furniture (net)	\$2,859,382	\$2,852,242
Exhibits	\$61,568,967	\$61,568,967
Construction in Progress	\$8,795,203	\$7,978,843
Total Other Assets	\$84,038,061	\$83,099,726
TOTAL ASSETS	\$85,902,634	\$85,281,489
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Liabilities	\$1,750,745	\$2,016,035
Line of Credit	\$0	\$0
Retention Payable	\$321,749	\$246,070
Total Liabilities	\$2,072,494	\$2,262,104
Net Assets		
Fund Balance-Unrestricted	\$82,123,547	\$81,245,203
Fund Balance-Temporarily Restricted	\$1,647,473	\$1,715,730
Fund Balance-Permanently Restricted	\$59,120	\$58,452
Total Net Assets	\$83,830,140	\$83,019,385
TOTAL LIABILITIES AND NET ASSETS	\$85,902,634	\$85,281,489

Fresno's Chaffee Zoo Corporation
Income Statement
For the Eleven Months Ended November 30, 2018

	FY18	YTD Actual	YTD Budget	
	Budget	@ 11/30/18	@ 11/30/18	Variance
REVENUE				
Self Generated Income				
Admissions	\$5,138,738	\$4,063,834	\$4,829,995	(15.9)%
Adopt an Animal	\$35,000	\$14,000	\$32,083	(56.4)%
Education	\$441,550	\$457,666	\$404,754	13.1 %
Food Services	\$725,050	\$637,782	\$681,547	(6.4)%
Gift Shop	\$477,680	\$438,318	\$449,019	(2.4)%
Giraffe Feeding	\$580,040	\$497,267	\$545,238	(8.8)%
Grants and Fundraising	\$325,450	\$489,447	\$298,329	64.1 %
Group Event/Facility Rental	\$575,000	\$563,706	\$527,083	6.9 %
Membership	\$1,337,750	\$1,372,021	\$1,226,271	11.9 %
Special Events	\$732,850	\$622,120	\$545,850	14.0 %
Stingray Exhibit	\$341,200	\$260,879	\$320,728	(18.7)%
Other Income	\$84,000	\$331,503	\$77,875	325.7 %
Total Self-Generated Revenue	\$10,794,308	\$9,748,542	\$9,938,773	(1.9)%
EXPENSES				
Personnel Expenses				
Administration	\$1,103,542	\$934,308	\$1,017,521	(8.2)%
Animal	\$3,209,916	\$3,049,738	\$2,962,606	2.9 %
Education	\$961,204	\$1,008,797	\$887,191	13.7 %
Maintenance/Horticulture	\$906,885	\$811,847	\$837,055	(3.0)%
Marketing/Membership/Development/Events	\$805,292	\$761,976	\$743,284	2.5 %
Operations	\$118,234	\$95,618	\$109,130	(12.4)%
Veterinary	\$362,806	\$309,171	\$334,783	(7.7)%
Visitor Services	\$802,357	\$790,962	\$740,640	6.8 %
Total Personnel Expenses	\$8,270,236	\$7,762,418	\$7,632,211	1.7 %

Fresno's Chaffee Zoo Corporation

Income Statement

For the Eleven Months Ended November 30, 2018

	FY18 Budget	YTD Actual @ 11/30/18	YTD Budget @ 11/30/18	Variance
Other Expenses				
Advertising	\$388,300	\$254,094	\$355,942	(28.6)%
Animal Services	\$562,000	\$457,880	\$519,961	(11.9)%
Bank and Credit Card Fees	\$185,630	\$180,769	\$170,161	6.2 %
Community Support	\$75,000	\$25,500	\$68,750	(62.9)%
Conservation	\$250,000	\$172,421	\$229,167	(24.8)%
Contracted Services	\$684,600	\$748,368	\$629,362	18.9 %
Depreciation	\$464,000	\$425,334	\$425,333	(9.1)%
Dues and Subscriptions	\$54,100	\$38,640	\$49,933	(22.6)%
Equipment Expense	\$213,975	\$199,130	\$196,310	1.4 %
Event Expense	\$626,045	\$574,278	\$596,618	(3.7)%
Fleet Expense	\$39,100	\$19,837	\$35,842	(44.7)%
Food and Catering	\$56,300	\$18,684	\$39,154	(52.3)%
Insurance	\$185,000	\$178,606	\$169,583	5.3 %
Interest Expense	\$12,500	\$7,561	\$11,458	(34.0)%
IT	\$127,770	\$79,348	\$111,122	(28.6)%
Mileage, Tolls, and Parking	\$3,340	\$1,004	\$3,066	(67.3)%
Miscellaneous Business Expenses	\$8,750	\$11,030	\$8,046	37.1 %
Office Supplies	\$32,600	\$14,815	\$29,883	(50.4)%
Postage	\$51,325	\$40,574	\$47,069	(13.8)%
Printing	\$151,825	\$118,372	\$138,915	(14.8)%
Professional Services	\$195,000	\$103,144	\$185,000	(44.2)%
Recognition	\$9,500	\$4,295	\$8,708	(50.7)%
Recruiting	\$10,500	\$15,228	\$9,625	58.2 %
Repairs and Replacements	\$437,470	\$335,512	\$401,016	(16.3)%
Signage	\$28,409	\$36,779	\$26,208	40.3 %
Specialized Services	\$46,750	\$23,636	\$44,104	(46.4)%

Fresno's Chaffee Zoo Corporation

Income Statement

For the Eleven Months Ended November 30, 2018

	FY18 Budget	YTD Actual @ 11/30/18	YTD Budget @ 11/30/18	Variance
Staff Development	\$206,162	\$124,807	\$192,465	(35.2)%
Supplies	\$493,325	\$372,508	\$452,546	(17.7)%
Telephone	\$67,295	\$44,488	\$61,687	(27.9)%
Uniforms	\$40,850	\$39,712	\$37,479	6.0 %
Utilities	\$790,000	\$753,658	\$734,583	2.6 %
Other Expense	\$11,398	\$8,650	\$10,448	(17.2)%
Total Other Expenses	\$6,508,819	\$5,428,662	\$5,999,546	(9.5)%
Total Expenses	\$14,779,055	\$13,191,081	\$13,631,756	(3.2)%
Net Surplus (Deficit) from Operations	(\$3,984,747)	(\$3,442,538)	(\$3,692,983)	(6.8)%
Non Operating Revenue and Expense				
Non Operating Revenue				
Measure Z Operating Funds	\$4,442,222	\$4,142,101	\$4,094,883	1.2 %
Measure Z Capital Funds	\$0	\$3,575,931	\$0	0.0 %
Interest Income	\$380,000	\$118,371	\$230,000	(48.5)%
Investment Income	\$0	(\$393,710)	\$0	0.0 %
Board Designated Endowment Funds	\$10,000	\$137,239	\$0	0.0 %
Total Non Operating Revenue	\$4,832,222	\$7,579,932	\$4,324,883	75.3 %
Non Operating Expense				
Measure Z Depreciation	\$0	\$3,289,000	\$0	0.0 %
Measure Z Bank Fees	\$120	\$230	\$110	109.1 %
Total Non Operating Expense	\$120	\$3,289,230	\$110	109.1 %
Total Non Operating Revenue and Expense	\$4,832,102	\$4,290,702	\$4,324,773	(0.8)%
NET SURPLUS/(DEFICIT)	\$847,355	\$848,164	\$631,790	34.2 %

November 2018

MTD Attendance				YTD Attendance				2017 Unaudited
	<u>2018</u>	<u>2017</u>	Increase/ Decrease		<u>2018</u>	<u>2017</u>	Increase/ Decrease	
Attendance	54,574	58,661	-7%	Attendance	759,977	764,122	-1%	833,114
Paid	21,864	26,986	-19%	Paid	360,862	387,087	-7%	406,567
Members	16,984	17,215	-1%	Members	217,307	200,205	9%	212,678
Group	7,019	6,879	2%	Group	98,900	95,311	4%	96,527
Other	8,707	7,581	15%	Other	82,908	81,519	2%	117,342
Giraffe Feeding	12,982	19,154	-32%	Giraffe Feeding	176,814	214,089	-17%	223,199
Capture Rate	24%	33%	0%	Capture Rate	23%	28%	-17%	27%
Stingray Bay	11,691	16,291	-28%	Stingray Bay	215,081	293,200	-27%	287,677
Capture Rate	21%	28%	-23%	Capture Rate	28%	38%	-26%	35%
MTD Revenue				YTD Revenue				2017 Unaudited
	<u>2018</u>	<u>2017</u>	Increase/ Decrease		<u>2018</u>	<u>2017</u>	Increase/ Decrease	
Admissions	\$246,138	\$218,912	12%	Admissions	\$4,063,834	\$3,201,749	27%	\$3,671,049
Per Cap	\$4.51	\$3.73	21%	Per Cap	\$5.35	\$4.19	28%	\$4.41
Giraffe Feeding	\$36,003	\$39,723	-9%	Giraffe Feeding	\$497,267	\$499,331	0%	\$530,032
Per Cap	\$0.66	\$0.68	-3%	Per Cap	\$0.65	\$0.65	0%	\$0.64
Stingray Bay	\$13,825	\$17,999	-23%	Stingray Bay	\$260,879	\$283,006	-8%	\$297,244
Per Cap	\$0.25	\$0.31	-17%	Per Cap	\$0.34	\$0.37	-7%	\$0.36
Membership	\$90,800	\$83,286	9%	Membership	\$1,372,021	\$1,165,509	18%	\$1,314,128
Contracted Services				Contracted Services				2017 Unaudited
	<u>2018</u>	<u>2017</u>	Increase/ Decrease		<u>2018</u>	<u>2017</u>	Increase/ Decrease	
Concessions	\$36,604	\$45,115	-19%	Concessions	\$637,782	\$634,762	0%	\$675,311
Per Cap	\$0.67	\$0.77	-13%	Per Cap	\$0.84	\$0.83	1%	\$0.81
Gift Shop	\$27,215	\$24,790	10%	Gift Shop	\$438,318	\$410,896	7%	\$438,302
Per Cap	\$0.50	\$0.42	18%	Per Cap	\$0.58	\$0.54	7%	\$0.53

Key:

Equal to or ahead of 2017

2% or less behind 2017

More than 2% behind 2017

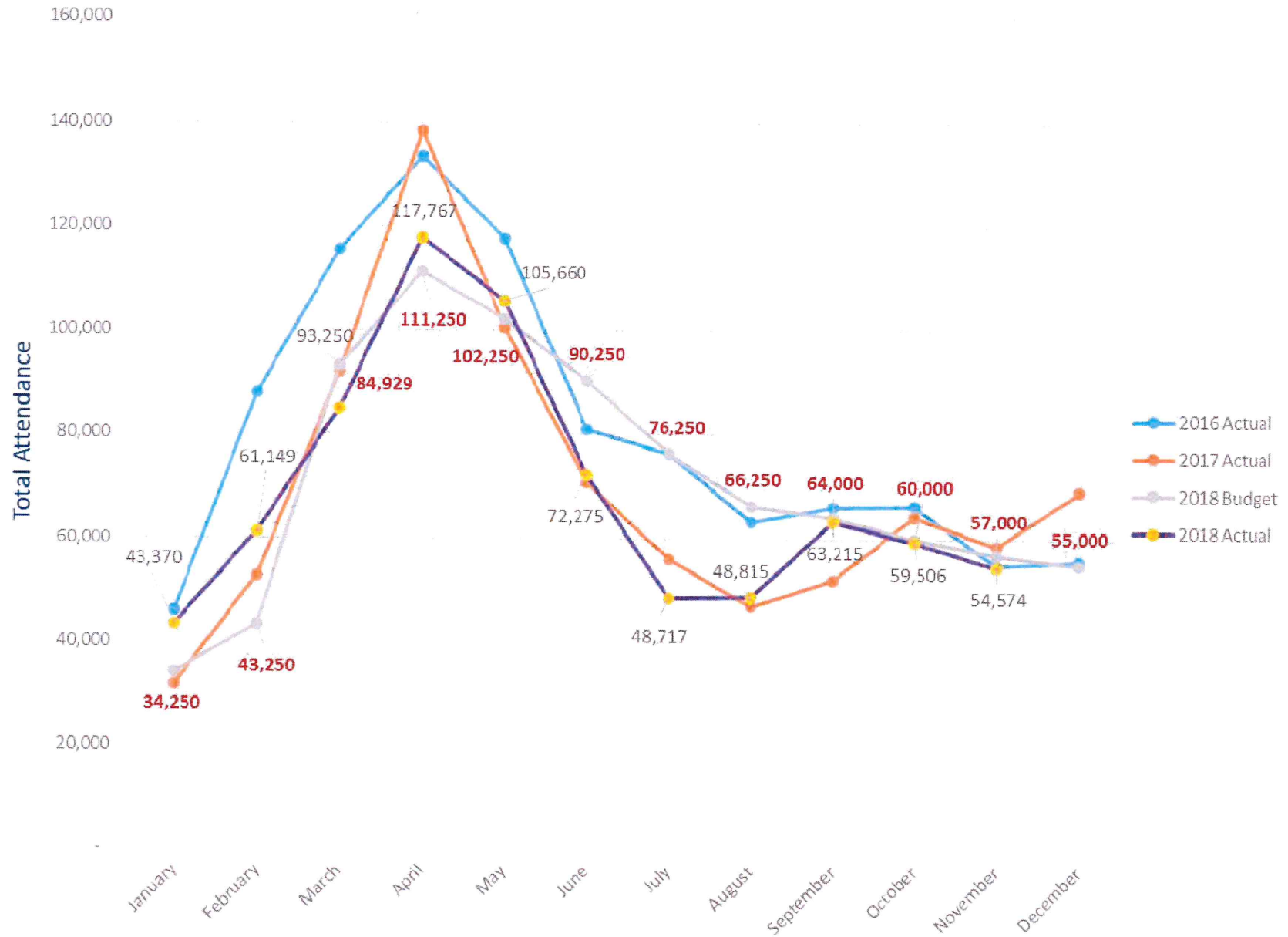
Fresno Chaffee Zoo
SUMMARY OF KEY INDICATORS
November 2018

	FY 18 Year-to-Date		
	Actuals	Budgeted	Difference
Attendance	759,977	798,000	(38,023)

	FY 18 Year-to-Date		
	Actuals	Budgeted	Difference
Revenue	\$9,748,542	\$9,938,773	(\$190,231)
Payroll	\$7,762,418	\$7,632,211	\$130,207
Operating Expenses	\$5,428,662	\$5,999,546	(\$570,884)
Net Surplus (Deficit)	(\$3,442,538)	(\$3,692,983)	\$250,445
Measure Z Operating	\$4,142,101	\$4,094,883	\$47,218

	FY 18 vs. FY 17 Year-to-Date		
	Nov-18	Nov-17	Difference
Attendance	759,977	764,122	(4,145)
Revenue	\$9,748,542	\$7,972,938	\$1,775,604
Payroll	\$7,762,418	\$7,115,997	\$646,421
Operating Expenses	\$5,428,662	\$4,857,468	\$571,194
Net Surplus (Deficit)	(\$3,442,538)	(\$4,000,527)	\$557,989
Measure Z Operating	\$4,142,101	\$4,033,007	\$109,094

Fresno's Chaffee Zoo Monthly Attendance by Year





FY 2018 November Board Financial Report

Discussion of Financial Results YTD as of November 30, 2018

Per Capita Data:

Area	2018	Budget	2017	Capture Rate 2018	Capture Rate 2017
Admissions	\$5.35	\$6.02	\$4.19	N/A	N/A
Concessions	\$0.84	\$0.85	\$0.83	N/A	N/A
Gift Shop	\$0.58	\$0.56	\$0.54	N/A	N/A
Giraffe Feeding	\$0.65	\$0.68	\$0.65	23%	28%
Stingray Bay	\$0.34	\$0.40	\$0.37	28%	38%

Fresno's Chaffee Zoo Corporation

Income Statement

For the Eleven Months Ended November 30, 2018

	FY18 Budget	YTD Actual @ 11/30/18	YTD Budget @ 11/30/18	Variance
REVENUE				
Self Generated Income				
Admissions	\$5,138,738	\$4,063,834	\$4,829,995	(15.9)%
Adopt an Animal	\$35,000	\$14,000	\$32,083	(56.4)%
Education	\$441,550	\$457,666	\$404,754	13.1 %
Food Services	\$725,050	\$637,782	\$681,547	(6.4)%
Gift Shop	\$477,680	\$438,318	\$449,019	(2.4)%
Giraffe Feeding	\$580,040	\$497,267	\$545,238	(8.8)%
Grants and Fundraising	\$325,450	\$489,447	\$298,329	64.1 %
Group Event/Facility Rental	\$575,000	\$563,706	\$527,083	6.9 %
Membership	\$1,337,750	\$1,372,021	\$1,226,271	11.9 %
Special Events	\$732,850	\$622,120	\$545,850	14.0 %
Stingray Exhibit	\$341,200	\$260,879	\$320,728	(18.7)%
Other Income	\$84,000	\$331,503	\$77,875	325.7 %
Total Self-Generated Revenue	\$10,794,308	\$9,748,542	\$9,938,773	(1.9)%
EXPENSES				
Personnel Expenses				
Administration	\$1,103,542	\$934,308	\$1,017,521	(8.2)%
Animal	\$3,209,916	\$3,049,738	\$2,962,606	2.9 %
Education	\$961,204	\$1,008,797	\$887,191	13.7 %
Maintenance/Horticulture	\$906,885	\$811,847	\$837,055	(3.0)%
Marketing/Membership/Development/Events	\$805,292	\$761,976	\$743,284	2.5 %
Operations	\$118,234	\$95,618	\$109,130	(12.4)%
Veterinary	\$362,806	\$309,171	\$334,783	(7.7)%
Visitor Services	\$802,357	\$790,962	\$740,640	6.8 %
Total Personnel Expenses	\$8,270,236	\$7,762,418	\$7,632,211	1.7 %

Fresno's Chaffee Zoo Corporation

Income Statement

For the Eleven Months Ended November 30, 2018

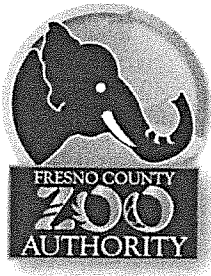
	FY18 Budget	YTD Actual @ 11/30/18	YTD Budget @ 11/30/18	Variance
Staff Development	\$206,162	\$124,807	\$192,465	(35.2)%
Supplies	\$493,325	\$372,508	\$452,546	(17.7)%
Telephone	\$67,295	\$44,488	\$61,687	(27.9)%
Uniforms	\$40,850	\$39,712	\$37,479	6.0 %
Utilities	\$790,000	\$753,658	\$734,583	2.6 %
Other Expense	\$11,398	\$8,650	\$10,448	(17.2)%
Total Other Expenses	\$6,508,819	\$5,428,662	\$5,999,546	(9.5)%
Total Expenses	\$14,779,055	\$13,191,081	\$13,631,756	(3.2)%
Net Surplus (Deficit) from Operations	(\$3,984,747)	(\$3,442,538)	(\$3,692,983)	(6.8)%
Non Operating Revenue and Expense				
Non Operating Revenue				
Measure Z Operating Funds	\$4,442,222	\$4,142,101	\$4,094,883	1.2 %
Measure Z Capital Funds	\$0	\$3,575,931	\$0	0.0 %
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Investment Income	\$0	(\$393,710)	\$0	0.0 %
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Non Operating Expense				
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Total Non Operating Revenue and Expense	\$4,832,102	\$4,290,702	\$4,324,773	(0.8)%
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Fresno Chaffee Zoo
SUMMARY OF KEY INDICATORS
November 2018

	FY 18 Year-to-Date		
	Actuals	Budgeted	Difference
Attendance	759,977	798,000	(38,023)

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	FY 18 vs. FY 17 Year-to-Date		
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Attendance	759,977	764,122	(4,145)
Revenue	\$9,748,542	\$7,972,938	\$1,775,604
Payroll	\$7,762,418	\$7,115,997	\$646,421
Operating Expenses	\$5,428,662	\$4,857,468	\$571,194
Net Surplus (Deficit)	(\$3,442,538)	(\$4,000,527)	\$557,989
Measure Z Operating	\$4,142,101	\$4,033,007	\$109,094



DATE: January 30, 2019

TO: Fresno County Zoo Authority Board

FROM: Dr. Rick Treatch, EdD, Chief Financial Officer
Fresno's Chaffee Zoo Corporation

SUBJECT: 2019 Measure Z Operating Request

RECOMMENDED ACTION:

Approve Fresno's Chaffee Zoo Corporation fiscal year 2019 Measure Z Operating funds totaling \$5,089,730 for reimbursement of Animal and Veterinary Salary and Benefits, Animal Food and Services, Exhibit Maintenance & Renovations, Water Quality Supplies, Utilities, and Bank Fees to wire reimbursement funds to the Zoo.

DISCUSSION:

Operating Budget

The 2019 budget (Attachment A) was developed by the management team of the Fresno Chaffee Zoo. The 2019 Measure Z Operating request is \$5,089,730, and all line items are included in the Zoo's operating budget. 2018 Measure Z projected operating revenue is \$5,089,730, excluding earned interest. There is an operating fund surplus of approximately \$6.8 million as of November 30, 2018.

The request for 2019 includes the addition of Animal Services with the Animal Food line, Exhibit Maintenance and Renovations, and Water Quality Supplies. Animal Services includes costs for Animal Enrichment and Animal Shipping. Exhibit Maintenance and Renovations include cost associated with maintaining exhibits, particularly the life support systems in Sea Lion Cove, African Adventure, and Wilderness Falls. Water Quality supplies include costs for water treatment in the life support systems, principally salt, chlorine, and other chemicals. As new exhibits have come online, animal enrichment, animal shipping, supplies and maintenance costs associated with the exhibits have increased the operating budget.

The Fresno's Chaffee Zoo Corporation Board of Directors approved the 2019 budget on November 15, 2018.

BOARD ACTION: DATE _____ APPROVED AS RECOMMENDED _____ OTHER _____

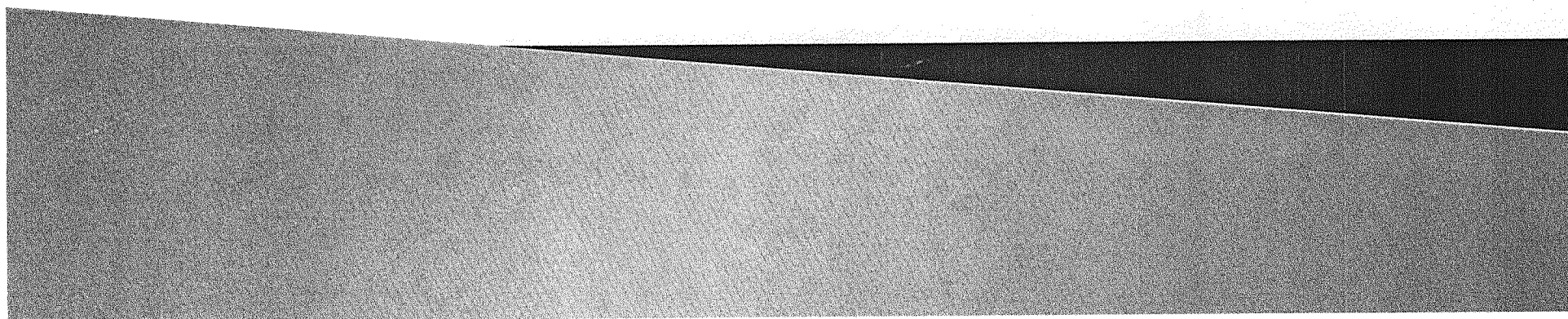
MOTION _____ SECOND _____ UNANIMOUS _____
 BRAND _____ HERZOG _____ LYLES _____ ROMAN _____ STRATFORD _____ TOSTE _____ WATERHOUSE _____



FY19 Budget

Presented to the Fresno County Tax
Authority

January 30, 2019



2019 Budget Assumptions

- ▶ 2019 budgeted attendance of 833,000.
- ▶ 2019 self generated revenue increases \$1.8M over projected 2018 year end.
- ▶ Proposed budget includes no admission price adjustment.

	<u>2019 Price</u>	<u>2018 Price</u>
◦ Adult	\$12.95	\$12.95
◦ Senior	\$ 7.95	\$ 7.95
◦ Child	\$ 7.95	\$ 7.95
Fresno County School Group – Adult	\$ 6.00	\$ 6.00
Fresno County School Group – Student	\$ 3.00	\$ 3.00
Other Counties School Group – Adult	\$ 7.00	\$ 7.00
Other Counties School Group – Student	\$ 4.00	\$ 4.00

2019 Budget Assumptions (Continued)

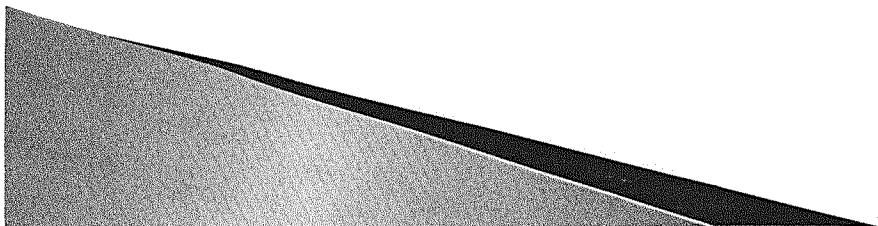
- ▶ Fundraising increases \$110K over projected 2018 year end. Increase from anticipated growth of sponsorships and donations.
- ▶ Membership Revenue increases \$208,000 over projected 2018 year end due to price adjustments as follows:

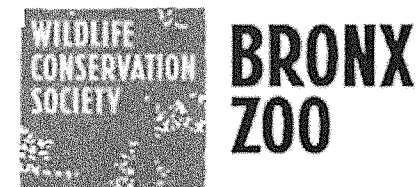
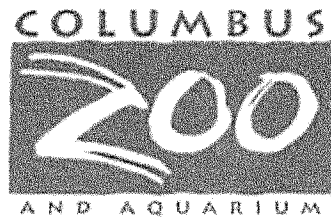
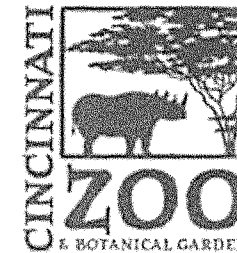
	<u>2019 Price</u>	<u>2018 Price</u>
Individual – Fresno County	\$59.00	\$50.00
Family – Fresno County	\$89.00	\$75.00
Individual – Other Counties	\$69.00	\$60.00
Family – Other Counties	\$99.00	\$85.00

- ▶ Total operating expenses increase \$1.3M (9%) over 2018 forecast year end. Personnel expenses increase \$1.2M (14%). Other expenses increase \$146K (2%) over 2018 forecast year end.
- ▶ 2019 will add 1 Life Support Staff position, 1 Horticulture position, 1 part-time Zookeeper position, 3 seasonal staff positions, and 3 promotions. Including proposed positions, headcount will be 144 full time positions and 82 part time positions in 2019.

Dinosaurs!! at Fresno's Chaffee Zoo!

June 2019 - October 2019!



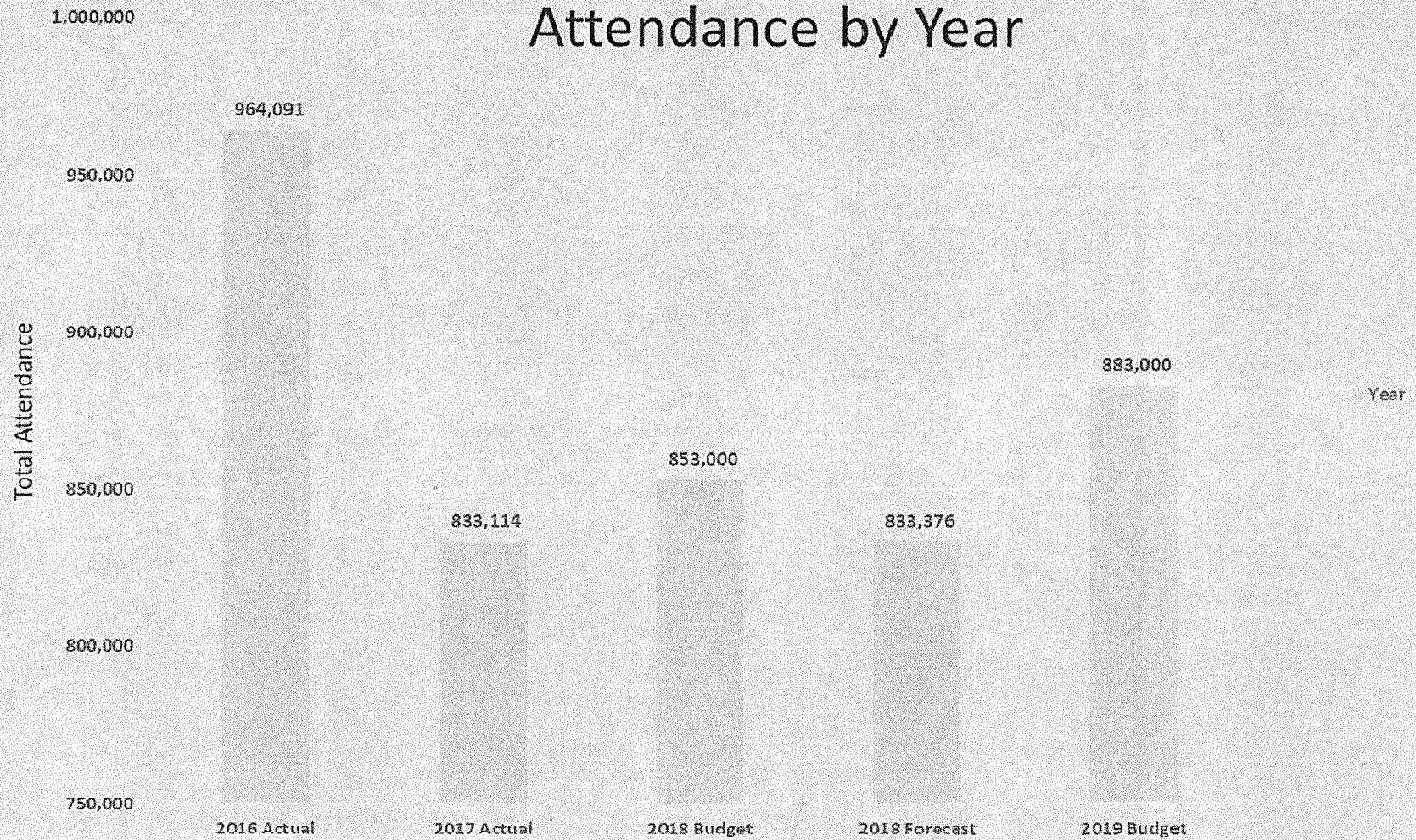


Fresno's Chaffee Zoo
Dinosaurs Proforma Budget
June - October 2019

Budgeted
attendance for the
year becomes
883,000 with
Dinos

Estimated Increase in General Admissions	50,000
Estimated Revenue	\$1,275,910
Expenses	
Install, Set-up, and Maintenance	\$600,000
Marketing	70,000
Visitor Services	10,000
Operational	145,000
Total Expenses	<u>\$825,000</u>
Net Surplus (Deficit)	<u>\$450,910</u>

Fresno's Chaffee Zoo Attendance by Year



Fresno's Chaffee Zoo Corporation
Budget
2019

	<u>2019 Budget</u>	<u>2018 Budget</u>	<u>YTD Actual 9/30/2018</u>	<u>2017 Audited</u>
Attendance	833,000	853,000	645,897	833,114
Additional from Dinosaur Exhibit	50,000			
	<u>883,000</u>			

REVENUE

Self-Generated Revenue

Admissions	\$ 4,653,141	\$ 5,138,738	\$ 3,580,269	\$ 3,671,049
Adopt an Animal	21,000	35,000	13,160	27,780
Behind the Scenes	118,725	60,000	-	50,336
Education	418,850	441,850	401,691	445,352
Food Services	708,050	725,050	551,371	675,311
Gift Shop	466,480	477,680	379,067	438,302
Giraffe Feeding	582,000	580,040	427,408	530,032
Grants/Fundraising	450,000	325,000	467,377	303,407
Group Event/Facility Rental	573,000	575,000	464,547	558,359
Membership	1,616,351	1,337,750	1,177,455	1,314,128
Special Events	763,613	732,850	349,480	776,933
Stingray Exhibit	295,500	341,200	233,919	297,244
Other	78,209	84,000	101,057	66,920
Dinosaur Exhibit	1,275,910	-	-	-
Total Self-Generated Revenue	<u>\$ 12,020,829</u>	<u>\$ 10,854,158</u>	<u>\$ 8,146,801</u>	<u>\$ 9,155,153</u>

Fresno's Chaffee Zoo Corporation
Budget
2019

	<u>2019 Budget</u>	<u>2018 Budget</u>	<u>YTD Actual 9/30/2018</u>	<u>2017 Audited</u>
EXPENSES				
OPERATING EXPENSES				
Personnel Expenses				
Administration	\$ 1,222,270	\$ 1,103,542	\$ 774,729	\$ 890,565
Animal	3,412,652	3,209,916	2,521,318	3,246,626
Bird Show	278,595	-	-	-
Behind the Scenes	84,216	60,000	31,500	40,000
Education	953,213	901,204	812,830	955,443
Maintenance/Horticulture	1,187,575	906,885	675,464	898,987
Mem/Dev/Marketing	908,766	805,292	624,610	823,351
Operations	110,711	118,234	79,262	105,273
Veterinary	424,616	362,806	247,977	372,281
Visitor Services	982,022	802,357	654,296	816,963
Total Personnel Expenses	\$ 9,564,637	\$ 8,270,236	\$ 6,421,986	\$ 8,149,489
Other Expenses				
Advertising	\$ 386,720	\$ 388,300	\$ 196,377	\$ 308,863
Animal Services	487,000	562,000	348,982	506,879
Bank and Credit Card Fees	226,232	198,250	151,736	208,262
Bird Show Expense	64,510	257,000	207,126	276,166
Behind the Scenes	10,975	-	-	-
Community Support	-	75,000	25,500	-
Conservation	250,000	250,000	-	152,990
Contracted Services	306,494	305,600	393,649	272,597
Depreciation Expense	540,000	464,000	348,000	4,011,772
Dinosaur Exhibit Expense	825,000	-	-	-
Dues	55,990	50,950	30,346	58,067
Equipment	192,259	213,975	174,490	234,896
Event Expense	640,870	626,045	455,805	638,203

Fresno's Chaffee Zoo Corporation
Budget
2019

	<u>2019 Budget</u>	<u>2018 Budget</u>	<u>YTD Actual 9/30/2018</u>	<u>2017 Audited</u>
EXPENSES				
OPERATING EXPENSES				
Fleet	23,246	39,100	18,063	19,434
Food/Catering	52,915	56,300	13,891	44,022
Insurance	198,000	185,000	146,843	197,968
Interest Expense	18,000	12,500	7,561	13,283
IT	86,803	127,770	63,841	55,701
Mileage, Tolls, Parking	2,820	3,340	1,004	2,185
Miscellaneous Business	18,100	11,900	10,351	11,703
Office Supplies	19,430	32,600	13,940	17,185
Postage	57,665	51,325	31,446	44,767
Printing	230,005	151,825	90,249	135,452
Professional Services	214,400	317,000	85,402	387,958
Recognition	2,160	12,100	4,080	9,756
Recruitment	36,755	12,200	8,904	38,250
Repairs and Replacements	343,780	432,470	290,053	330,631
Signage	12,000	28,409	23,381	29,748
Specialized Services	37,010	51,750	20,634	33,956
Staff Development	85,745	206,162	110,692	76,715
Supplies	407,000	493,225	294,592	406,044
Telephone	46,274	67,295	36,817	51,786
Uniforms	43,150	40,850	22,048	37,795
Utilities	816,500	790,000	599,885	805,832
Other	-	11,398	8,650	9,811
Total Other Expenses	\$ 6,737,809	\$ 6,525,639	\$ 4,234,338	\$ 9,428,677
TOTAL OPERATING EXPENSES	\$ 16,302,446	\$ 14,795,875	\$ 10,656,324	\$ 17,578,166
NET SURPLUS (DEFICIT) FROM OPERATIONS	\$ (4,281,617)	\$ (3,941,717)	\$ (2,509,523)	\$ (8,423,013)

Fresno's Chaffee Zoo Corporation
Budget
2019

	<u>2019 Budget</u>	<u>2018 Budget</u>	<u>YTD Actual 9/30/2018</u>	<u>2017 Audited</u>
NET SURPLUS (DEFICIT) FROM OPERATIONS	\$ (4,281,616)	\$ (3,941,717)	\$ (2,509,523)	\$ (8,423,013)
Measure Z Operating Funds	5,089,730	4,442,222	3,504,414	4,500,981
NET AFTER MEASURE Z REIMBURSEMENT	<u>\$ 808,114</u>	<u>\$ 500,505</u>	<u>\$ 994,891</u>	<u>\$ (3,922,032)</u>
OTHER REVENUE				
Measure Z-Capital Funds	\$ -	\$ -	\$ 2,545,091	\$ 3,262,574
City of Fresno	-	-	-	-
Interest Income	120,000	380,000	96,678	518,610
Investment Income	-	-	344,180	891,804
Board Designated for Endow	10,000	10,000	8,500	16,583
TOTAL OTHER REVENUE	<u>\$ 130,000</u>	<u>\$ 390,000</u>	<u>\$ 2,994,449</u>	<u>\$ 4,689,571</u>
NET SURPLUS/(DEFICIT)	<u>\$ 938,114</u>	<u>\$ 890,505</u>	<u>\$ 3,989,340</u>	<u>\$ 767,539</u>

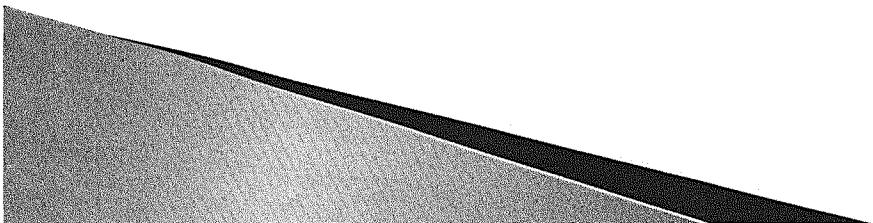
**Fresno's Chaffee Zoo Corporation
Cash Flow Forecast
2019**

	<u>TOTAL</u>
Cash Flows from Operating Activities	
Total Self-Generated Revenue	\$ 12,020,829
Cash Outflows	
Total Personnel Expense	\$ 9,564,637
Total Other Expenses	6,859,017
Less Depreciation	<u>(540,000)</u>
Total Cash Outflows	<u>\$ 15,883,653</u>
Net Cash Flow From Operations	\$ (3,862,824)
Other Cash Receipts	
Measure Z Operating Funds	5,032,147
Line of Credit Draw (Payment)	(800,000)
Beginning Cash Balance	<u>250,000</u>
Ending Cash Balance	<u>\$ 619,323</u>

*Zoo reaches positive cash in October

2018 Budget Revenue Increase Support

- ▶ **Behind the Scenes:** Revenue increase of \$59K over 2018 budget. Projected 2018 revenue expected to be \$65K. 2019 budget is \$54K over projected 2018 revenue. Increase is due to a concerted effort to expand tour offerings.
- ▶ **Giraffe Feeding:** Revenue increase of \$2K over 2018 budget. Projected 2018 revenue expected to be \$552K. 2019 budget is \$30K over projected 2018 revenue. Increase is due to expected continued revenue growth trend.
- ▶ **Grants/Fundraising:** Revenue increase of \$125K over 2018 budget. Projected 2018 revenue expected to be \$340K. 2019 budget is \$110K over projected 2018 revenue. Increase is due to a concerted effort to increase capture rate.
- ▶ **Group Events/Facility Rental:** Revenue increase of \$23K over projected 2018 revenue. Increase is due to expected growth in events and guest pricing.
- ▶ **Membership:** Revenue increase of \$279K over 2018 budget. Projected 2018 revenue expected to be \$1.4M. 2019 budget is \$208K over projected 2018 revenue. Increase is due to increase to fee.



Operating Revenue & Per Cap Rates

	<u>2019 Budget</u>	<u>2018 Budget</u>	<u>2018 9/30</u>	<u>2017 Audit</u>
Attendance	883,000	853,000	645,897	833,114
<u>Per Cap</u>				
Admissions	\$5.63	\$6.02	\$5.54	\$4.41
Concessions	\$0.85	\$0.87	\$0.85	\$0.81
Giraffe Feeding	\$0.70	\$0.70	\$0.66	\$0.64
Concessions	\$0.56	\$0.57	\$0.59	\$0.53
Stingray Bay	\$0.35	\$0.41	\$0.36	\$0.36
<u>Revenue</u>				
Behind the Scenes	\$118,725	\$60,000	\$65,350	\$50,336
Education	\$418,850	\$441,850	\$336,341	\$445,352
Group Events/Facility Rentals	\$573,000	\$575,000	\$464,547	\$558,359
Membership	\$1,616,351	\$1,337,750	\$1,408,000	\$1,314,128
Special Events	\$763,613	\$732,850	\$349,480	\$776,933

2019 Budget Expense Increase Support

	2019 Budget	2018 Budget	Variance	
Total Operating Expenses	16,302,446	14,795,875	1,506,571	9%
Salary & Benefits	9,564,637	8,270,236	1,294,401	14%
Administration	1,222,270	1,103,542	118,728	Minimum wages increases, comp reviews, benefits increase, w/comp
Animal	3,412,652	3,209,916	202,736	Minimum wages increases, comp reviews, benefits increase, w/comp
Bird Show	278,595	-	278,595	New staff from acquisition
Behind the Scenes	84,216	60,000	24,216	Minimum wages increases, comp reviews, benefits increase, w/comp
Education	953,213	901,204	52,009	Minimum wages increases, comp reviews, benefits increase, w/comp
Maintenance/Horticulture	1,187,575	906,885	280,690	Minimum wages increases, comp reviews, benefits increase, w/comp
Mem/Dev/Marketing	908,766	805,292	103,474	Minimum wages increases, comp reviews, benefits increase, w/comp
Operations	110,711	118,234	(7,523)	Minimum wages increases, comp reviews, benefits increase, w/comp
Veterinary	424,616	362,806	61,810	Full year of second vet
Visitor Services	982,022	802,357	179,665	Minimum wages increases, comp reviews, benefits increase, w/comp
Animal Services	487,000	562,000	(75,000)	-15%
Animal Feed	400,000	400,000	-	
Animal Shipping	38,000	105,000	(67,000)	Anticipate fewer shipments
Bank and Credit Card Fees	226,232	198,250	27,982	12% Anticipated growth in credit card use
Bird Show Expense	64,510	257,000	(192,490)	-298% Switch from contract services to ownership
Conservation	250,000	250,000	-	0%
Depreciation	540,000	464,000	76,000	14%
Dinosaur Exhibit Expense	825,000	-	825,000	Temporary exhibit
Equipment	192,259	213,975	(21,716)	-11%
Equipment lease/rental	163,300	96,950	66,350	Budgt based on current year actuals/forecast
Equipment purchases	61,575	52,500	9,075	Budgt based on current year actuals/forecast

2019 Budget Expense Increase Support

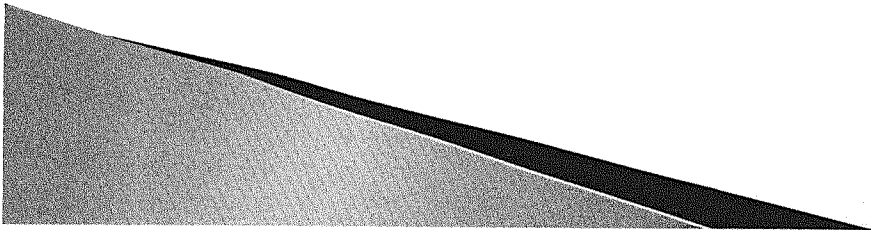
	2019 Budget	2018 Budget	Variance	
IT	86,803	127,770	(40,967)	-47%
New Maintenance Software	7,500	10,000	(2,500)	Maintenance system for preventive/routine care
Cloud Based Accounting Software	13,625	20,000	(6,375)	Transition current software to cloud based version
Centeman	16,000	20,000	(4,000)	Visitor database/ticketing
Anti Virus	11,520	500	11,020	
Back-up Service/Software	8,040	-	8,040	
Paycom	4,100	4,100	-	Payroll
Collabernation	6,000	6,000	-	Training software
Software and Supplies	3,000	28,700	(25,700)	
Hardware Purchases	8,000	10,000	(2,000)	Replacement of old machines
Printing	230,005	151,825	78,180	34% \$76,000 for ticket stock to be able to ticket all guests
Professional Services	214,400	317,000	(102,600)	-48% Adjusted legal fees based on last to years' actuals
Recruiting	36,755	12,200	24,555	67% Anticipated costs associated with bringing candidates to Fresno
Repairs and Replacements	343,780	432,470	(88,690)	-26% Reduced for repairs being covered by Deferred Maintenance plan
Staff Development	85,745	206,162	(120,417)	-140% No survey, reduced numbers for conferences
Supplies	407,000	493,225	(86,225)	-21% Budgeted based on forecasted actuals for 2018
Utilities	816,500	790,000	26,500	3% Anticipated utilities increases

Expenses

Personnel

- ▶ 2018 Salaries and Benefits: 59% of total operating expenses are salary and benefits (industry benchmark of 58% - 63%). 2018 budget was 56% and projected year-end is 56%.
- ▶ 2018: Health insurance premium increase quoted 10%.
- ▶ Other benefits: Workers Compensation modification rate rising from 82% to 113%.
- ▶ Budget includes an increase of \$1.00/hour to minimum wage starting 1/1/19. Future minimum wage will increases will be \$1.00/hour on 1/1/20, 1/1/21 and 1/1/22.
- ▶ Current Head Count = 130 Full Time and 72 Part Time
Non Seasonal Open Positions = 12 Full Time and 9 Part Time
Budgeted Positions = 2 Full Time and 1 Part Time
Budgeted Head Count at 2019 year end = 144 Full Time and 82 Part Time

Seasonal Part Time Staff = 21



Staffing Changes

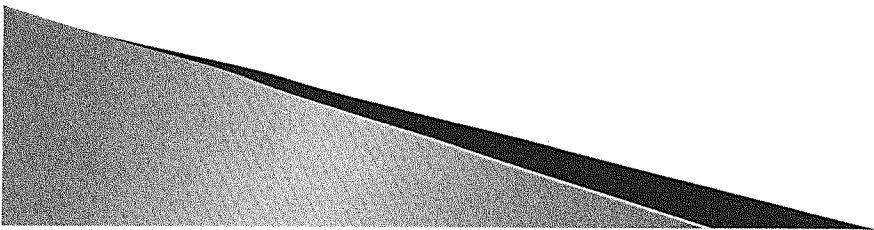
Administration: Promote HR Generalist to HR Manager.

Horticulture: 1 Staff.

Animal Department: 1 LSS Staff, 1 Part Time Assistant Zookeeper.

Education: Promotion of Lead Conservation Interpretation to Asst. Manager, add 3 Seasonal Camp Instructors.

No proposed changes for any other department



Capital Request Detail

Exhibits	
Bird Show Improvements [^]	
Improvements/replacement of back stage enclosures used by the bird show. Part of multi-year plan to improve this area.	\$ 100,000
Bird/Small Mammal Holding [^]	
New holding areas to replace old ones removed for African Adventure construction. These are used for management and breeding a variety of birds and small mammals	\$ 100,000
Stingray Bay Monitoring System [^]	\$ 50,000
Wolf Woods Upgrade [*]	\$ 40,000
Ungulate Shelter [^]	\$ 40,000
Savanna 4 Fence Extension [^]	\$ 26,000
Total Exhibits	\$ 356,000

[^] - Carried over from 2018

^{*} - Carried over from 2017

Capital Request Detail (continued)

Hospital	
Large Portable Squeeze Rack^	\$ 20,000
Quarantine Shift^	\$ 10,000
Taylor Dunn Carrier^	\$ 10,000
Floors and Paint*	\$ 15,500
Concrete Pathways^	\$ 8,000
Paving^	\$ 8,000
iSTAT	\$ 7,000
Oxygen Generator^	\$ 5,000
Digital Dental Radiograph Plate	\$ 2,000
Total Hospital	\$ 85,500

^ - Carried over from 2018

* - Carried over from 2017

Capital Request Detail (continued)

Maintenance	
Generator	\$ 4,000
Attachments for Bobcat	\$ 3,500
Total Maintenance	\$ 7,500
Visitor Services	
New Safe	\$ 2,500
Total Visitor Services	\$ 2,500
Others	
IT Upgrades including: New servers (2), Zoo-wide WiFi, Webstore Upgrade, Switch Upgrade, POS Station/Printer Upgrades, Payment Kiosk	\$ 250,000
Digital Radio Upgrade^	\$ 60,000

^ - Carried over from 2018

* - Carried over from 2017

Capital Request Detail (continued)

Others	
Lodge Heating [^]	
Install hot water furnace and pump to connect to radiant floor tubing in Kopje Lodge that was installed during construction	\$ 300,000
Solar Additions [^]	
Partial cost to add solar array to the African Elephant Night House per study conducted by CSUF	\$ 100,000
Pergola [^]	\$ 25,000
Total Others	\$ 735,000
Total Capital Request	\$ 1,186,500

[^] - Carried over from 2018

* - Carried over from 2017

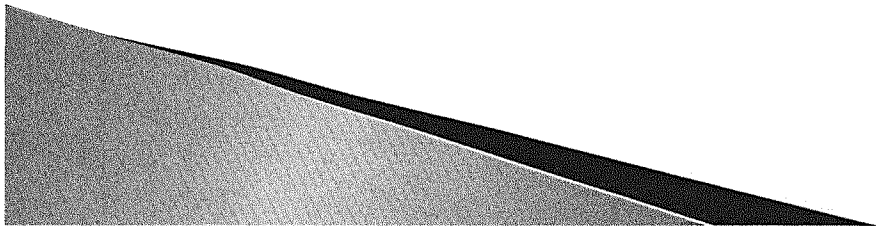
Capital Request Detail - Prioritized

Exhibits	
Bird Show Improvements	\$ 100,000
Others	
Digital Radio Upgrade	\$ 60,000
IT Upgrade	\$ 250,000
Total Prioritized Request	\$ 410,000

Deferred Maintenance Allocation

Budgeted Net Cash Available for 2019*	\$ 619,323
2019 Allocation to Deferred Maintenance	<u>\$ 200,000</u>
Balance Available for Capital Purchases	\$ 419,323
Prioritized Capital Purchases	<u>\$ 410,000</u>
Surplus	\$ 9,323

* Cash is net positive in October



2019 Measure Z Request

► 2019 Measure Z Operating Support Request: (2018 request was \$4,442,222)

Personnel Expenses:

Animal	\$ 3,410,000
Veterinary Services	410,000

Operating Expenses:

Animal Food and Services	450,000
Exhibit Maintenance & Renovations	116,000
Water Quality Supplies	87,700
Utilities	615,910
Bank Fees	<u>120</u>
Total 2019 Operating Request	\$ 5,089,730

► Projected 2019 Measure Z Funding (excluding interest):

	2019 FCZ
	Projected Revenue
Capital	\$10,148,982
Operating	\$ 5,089,730
Administration	<u>\$ 310,994</u>
2019 Projected Proceeds	\$15,549,706

2019 Measure Z Request (continued)

- 2019 Measure Z Operating Support Request:

2019 request: \$ 5,089,730 Percent of 2018 operating budget: 31%

2018 request: \$ 4,442,222 Percent of 2018 operating budget: 30%

Increase \$ 647,508

2019 request: \$ 5,089,730

2019 forecast: \$ 5,089,730

Increase \$ -0-

- 2018 Projected Measure Z Operating:

Projected receipts to be collected: \$4,700,000

Projected total claims: 4,442,222

Projected surplus funds: \$ 257,778

2017 Measure Z Operating:

Receipts collected: \$4,355,866

Total claims: 4,199,076

Funds available: \$ 156,790

- Measure Z operating fund surplus of approximately \$6.3 million as of 8/31/2018.

All figures based on Zoo's fiscal year (January – December).

Measure Z Revenue Summary of Tax Proceeds

	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual
July	\$826,000	\$903,500	\$864,900	\$900,800	\$952,000	\$930,800	\$1,227,435
August	1,033,100	\$1,106,000	\$1,149,600	\$1,201,100	\$1,269,300	\$1,241,000	\$928,052
September	1,028,369	\$1,097,605	\$1,199,226	\$1,408,037	\$1,181,071	\$1,391,154	\$1,171,132
October	850,500	\$857,400	\$879,100	\$911,400	\$941,400	\$933,300	\$1,619,199
November	1,056,800	\$1,143,200	\$1,172,100	\$1,215,200	\$1,255,200	\$1,244,400	\$1,531,072
December	1,083,021	\$1,076,977	\$1,147,219	\$1,306,493	\$1,188,304	\$1,452,570	
January	799,900	\$836,700	\$884,100	\$915,800	\$955,400	\$951,900	
February	1,086,700	\$1,101,200	\$1,178,800	\$1,221,000	\$1,273,900	\$1,269,200	
March	1,021,734	\$1,113,584	\$1,087,121	\$1,226,517	\$1,114,146	\$1,420,604	
April	846,500	\$788,000	\$804,100	\$819,500	\$855,500	\$865,400	
May	1,493,700	\$1,050,600	\$1,072,100	\$1,092,700	\$1,140,700	\$1,512,737	
June	1,015,391	\$1,139,360	\$1,231,366	\$1,374,748	\$1,220,710	\$1,103,925	
Total	\$12,141,715	\$12,214,126	\$12,669,732	\$13,593,295	\$13,347,631	\$14,316,990	\$6,476,890

Total received from inception 2012-2019 \$159,801,200

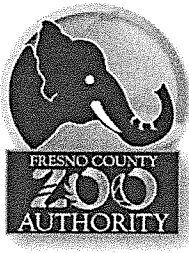
2018 Measure Z Request

► **2018 Measure Z Operating Support Request: (2017 request was \$4,522,000)**

• Personnel Expenses:	
Animal	\$ 3,206,316
Veterinary Services	\$ 362,806
Operating Expenses:	
Animal Food	\$ 420,000
Utilities	\$ 452,980
• Bank Fees	\$ <u>120</u>
Total 2018 Operating Request	\$ 4,442,222

► **Projected 2018 Measure Z Funding (excluding interest):**

	2018 FCZ
	Projected Revenue
Capital	\$ 8,885,778
Operating	\$ 4,442,222
Administration	\$ <u>272,000</u>
2018 Projected Proceeds	\$13,600,000



DATE: January 30, 2019

TO: Fresno County Zoo Authority Board

FROM: Ad-hoc Interview Committee

RE: Appointment of Successor to Retiring Board Coordinator

RECOMMENDED ACTION:

Approve appointee to Board Coordinator position, as recommended by the Board's ad-hoc sub-committee

DISCUSSION:

At the August 29, 2018 meeting, Board Coordinator Catherine Crosby announced her plans to retire in March 2019. At the November 28, 2018 Board meeting, members inquired about progress made toward finding a successor for the Board Coordinator position. Pursuant to Section 6(d) of Resolution No. 08-024 Establishing the Zoo Authority, the Board shall have the authority to "(t)ake all steps necessary...including hiring or contracting with appropriate staff, if necessary."

Further Board discussion led to the formation of an ad-hoc subcommittee of Chairman Roman and Members Herzog and Toste to interview candidates from the County Administrative Office proposed by County Administrative Officer Jean Rousseau. The ad-hoc subcommittee interviewed two candidates on December 7, 2018. Following those interviews, the ad-hoc committee recommends appointing Senior Administrative Analyst Ron Alexander to the position of Board Coordinator.

If the Board approves Mr. Alexander's appointment, Ms. Crosby will transition Board Coordinator duties to Mr. Alexander, and retire from the Department of Public Works and Planning on March 29, 2019. The records and official location of the Zoo Authority will return to the County Administrative Office. Per the June 14, 2005 *Agreement Between the Fresno County Zoo Authority and County of Fresno for Professional and Technical Services*, "the County Administrative Office shall perform day-to-day oversight in accordance with the requirements of the Zoo Authority."

BOARD ACTION: DATE _____ APPROVED AS RECOMMENDED _____ OTHER _____

MOTION _____ SECOND _____ UNANIMOUS _____
 BRAND _____ HERZOG _____ LYLES _____ ROMAN _____ STRATFORD _____ TOSTE _____ WATERHOUSE _____

The Authority may chose not to approve the appointment and seek other avenues to fill the Board Coordinator position. However, a delay in appointing a Board Coordinator could result in lost efficiency and time to train the new coordinator, as well as delays in reimbursing Fresno Chaffee Zoo for approved Measure Z expenditures, and County staff who support the Authority.

Reference Material

July 13, 2004 Resolution Creating Fresno County Zoo Authority, Revised January 15, 2008
(<http://www.zooauthority.org/docs/Founding/1.15.08%20BOS%20Revised%20Resolution%2008-024%20estab.%20ZA.pdf>)

June 14, 2005 Agreement Between the Fresno County Zoo Authority and County of Fresno for Professional and Technical Services
(<http://www.zooauthority.org/docs/ContractsProcedures/Agree-ZA-COF-services6-14-05.pdf>)



DATE: January 30, 2019
TO: Fresno County Zoo Authority Board
FROM: Catherine Crosby
Board Coordinator
RE: Proposed Amendments to Retention Policy

RECOMMENDED ACTION:

Approve proposed amendments to Fresno County Zoo Authority Retention Policy

DISCUSSION:

On September 30, 2015 your Board adopted a Retention Policy for the release of retention of Measure Z funds held in escrow by the Fresno Chaffee Zoo Corporation (ZooCorp) "...for security purposes relating to work to be performed on claims reimbursed for Capital Projects over \$30,000, and/or for which there is a Construction Manager at Risk." The Policy was last amended on February 13, 2018 with the addition of paragraphs defining Construction Manager at Risk (CMR) and handling of possible future disputes between ZooCorp and a CMR.

At the September 26, 2018 meeting, your Board discussed the recent change in the South Corridor Infrastructure Project (SCIP) from CMR to Multi-prime with project oversight by ZooCorp's Project Manager Ryan Liggett, and determined this to be a change in the scope of the project that would require the ZooCorp to request re-approval of SCIP construction project funding, originally approved by the Authority Board on May 30, 2018.

Mr. Liggett's September 1, 2018 agreement with ZooCorp did not include retention, however proposals for services by Mr. Liggett for the SCIP construction phase and the Asia design phase stated that his fees are "...subject to retention, per the Fresno Chaffee Zoo construction policy." This prompted staff to review the Authority's Retention Policy and propose amendments at the November 28, 2018 meeting adding the same retention requirements for a Project Manager as for a CMR. At that time, Members asked that the Policy also include a definition of Project Manager and tabled the matter. Because the tasks of a project manager vary by industry, on January 17, 2019, the ZooCorp Board met and approved the definition specific to their needs, seen in the proposed amendments to the Retention Policy as new Paragraph 3. (Attachment A)

BOARD ACTION: DATE _____ APPROVED AS RECOMMENDED _____ OTHER _____

MOTION _____ SECOND _____ UNANIMOUS _____
BRAND _____ HERZOG _____ LYLES _____ ROMAN _____ STRATFORD _____ TOSTE _____ WATERHOUSE _____

If approved by your Board, the additional language can provide guidance for the Zoo Corp's funding requests for future projects and for Authority staff to manage the reimbursement process. Also if approved, the Retention Policy will be updated in the Authority's *Procedures for Approving and Administering Measure Z Funds*, where it is included as Appendix II, and on the Authority's website.

ATTACHMENTS:

- A. Fresno County Zoo Authority Proposed Amended Retention Policy

REFERENCE MATERIAL:

- A. February 13, 2018 Procedures for Approving and Administering Measure Z Funds
[http://www.zooauthority.org/docs/ContractsProcedures/ZooAuthorityFinancialProcedures
Revised%202.13.18Posted5.23.18.pdf](http://www.zooauthority.org/docs/ContractsProcedures/ZooAuthorityFinancialProceduresRevised%202.13.18Posted5.23.18.pdf)

Draft Proposed Amendments

Fresno County Zoo Authority

Retention Policy

Adopted September 30, 2015

Revised February 13, 2018

Purpose

This Policy provides requirements for Agreements between the Fresno Chaffee Zoo Corporation (ZooCorp) and any party acting as a Construction Manager at Risk, or as Project Manager, in the event there is no Construction Manager at Risk, for construction of Measure Z funded capital projects, and the process for the disbursement of Measure Z funds and release of funds in escrow when there is an agreement for security deposits in lieu of retention.

Definitions

1. "Agreement" shall be defined herein as an a valid executed contract.
2. "Construction Manager at Risk" shall be defined as an individual, partnership, joint venture, corporation, or other recognized legal entity, that is appropriately licensed in this state, including a contractor's license issued by the Contractors' State License Board, and that guarantees the cost of a project and furnishes construction management services, including but not limited to, preparation and coordination of bid packages, scheduling, cost control, value engineering, evaluation, preconstruction services, and construction administration.
3. "Project Manager" shall be defined as a qualified individual or firm authorized by contract with ZooCorp to be responsible for planning, organizing, and overseeing the various tasks of a construction project, including overseeing schedules, budgets, and communication between ZooCorp and contractors in order to ensure that a project can meet expected scope and performance requirements according to plans and specifications on budget and on schedule, and at acceptable risk, quality, safety and security levels.

- 1 4. "Retention" shall be defined as the percentage of the Measure Z funds retained by
2 the ZooCorp for security purposes relating to work to be performed on claims
3 reimbursed for Capital Projects over \$30,000, and/or for which there is a
4 Construction Manager at Risk, (or Project Manager, in the event there is no
5 Construction Manager at Risk). Retention shall be no less than five percent (5%).
6 If the Authority has approved a finding by the ZooCorp, on a project by project
7 basis, during a properly noticed and normally scheduled public hearing and prior
8 to bid, that a project is substantially complex and therefore requires a higher
9 retention amount, Retention may be greater than five percent (5%), but not more
10 than ten percent (10%).
- 11 5. "Escrow Account" shall mean an account established at a financial institution or
12 bank by ZooCorp for purposes of depositing and holding Retention funds paid by
13 the Authority to ZooCorp, pending disbursement, to the Construction Manager at
14 Risk, (or Project Manager, in the event there is no Construction Manager at Risk).

15 **Requirements**

- 16 1. ZooCorp requests for funding for construction of Capital Projects over \$30,000
17 and/or for which there is a Construction Manager at Risk, (or Project Manager, in
18 the event there is no Construction Manager at Risk), shall be received for staff and
19 Board member review at least 30 days before the Board meeting at which the
20 funding request will be made, and shall include an Agreement with the construction
21 firm or Project Manager stating the requirement for Retention and its terms.
- 22 2. Requests for funding for the design of Capital Projects over \$30,000 shall be
23 received for staff and Board member review at least 30 days before the Board
24 meeting at which the funding request will be made, and shall include an Agreement
25 with the design firm stating the requirement for Retention and its terms.

26 **Procedures for Payment of Invoices by the Authority**

27 ZooCorp invoices are received, reviewed, and paid in accordance with the terms
28 of the December 21, 2005 Agreement Regarding Procedures For Distribution Of Tax

1 Revenue To The Chaffee Zoo, as amended, and with the Authority's Procedures for
2 Approving and Administering Measure Z Funds.

3 **ZooCorp's Deposit of Funds Received from Authority**

4 ~~Not~~ No later than two business days from its receipt of funds from the Authority for
5 reimbursement of project invoices, ZooCorp shall deposit Retention funds in the
6 appropriate Escrow Account. Within one business day of deposit of Retention funds in
7 the Escrow Account, ZooCorp shall send proof of the deposit ~~of the funds~~ to the Authority.

8 **Certification to the Authority**

9 Prior to releasing any Retention funds from the Escrow Account, ZooCorp shall
10 request the release at an Authority Board meeting, at the same time presenting written
11 certification that all conditions of the Escrow Agreement have been met, that the
12 construction project is final and complete in accordance with the construction contract,
13 and that the release of funds in the Escrow Account is appropriate. Such written
14 certification shall include certification from the project architect or lead engineer that the
15 project has been completed in accordance with the plans and specifications.

16 **Disputes**

- 17 1. The ZooCorp shall advise the Authority in writing of any dispute between ZooCorp
18 and the Construction Manager at Risk, (or Project Manager, in the event there is
19 no Construction Manager at Risk), regarding retention funds within 30 days of such
20 dispute coming to the attention of ZooCorp.
- 21 2. The construction contract shall require that any settlement agreement between the
22 Construction Manager at Risk, (or Project Manager, in the event there is no
23 Construction Manager at Risk), and the ZooCorp involving retention funds be
24 made public.
- 25 3. Any previously released retention funds that are recouped by ZooCorp as part of
26 a settlement with the Construction Manager at Risk, (or Project Manager, in the
27 event there is no Construction Manager at Risk), shall be returned by ZooCorp to
28 the Measure Z Capital Fund.

1 **Authority Consent to Distribution of Escrow Funds**

2 Upon receipt of the required written certification from ZooCorp that the project is
3 final and complete in accordance with the construction contract, the Authority will not
4 unreasonably withhold its consent to the release of the funds held in escrow. If it
5 withholds consent, the Authority will set forth in writing its objections, stating those items
6 that are not final and complete according to the construction contract.

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DATE: January 30, 2019

TO: Fresno County Zoo Authority Board

FROM: Catherine Crosby
Board Coordinator

RE: Proposed Amendments to the Fresno County Zoo Authority *Procedures for Approving and Administering Measure Z Funds*

RECOMMENDED ACTION:

Approve proposed amendments to the Fresno County Zoo Authority *Procedures for Approving and Administering Measure Z Funds*

Staff recommends changes that will require more detailed documentation for Fresno Chaffee Zoo Corporation (ZooCorp) capital project funding requests and reimbursement of Measure Z funds, and will require that the ZooCorp notify the Authority and request re-approval for projects that change in scope after funding is approved.

DISCUSSION:

The *Procedures for Approving and Administering Measure Z Funds* (Procedures), last updated February 13, 2018, state that "These procedures will be reviewed with the Zoo Authority as needed for opportunity to update, amend, or edit to achieve greater efficiencies."

Since then, changes in the scope of projects in design and under construction at Fresno Chaffee Zoo, and the hiring of a new Project Manager now overseeing the multi-prime South Corridor Infrastructure Project, led staff to review the Procedures again and propose additional requirements at the November 28, 2018 meeting. After discussion, the consensus of Members was to table the item until a proposed definition of "change of scope", and changes proposed by ZooCorp Counsel Doug Larson could be included.

Changes to the Procedures Page 14

Paragraph 1, first sentence: For capital project requests, the expected detail for agenda items has been expanded and a requirement added for agreements or proposals to include a detailed scope of work from a Project Manager, as well as from contractors. The purpose is to provide a

BOARD ACTION: DATE _____ APPROVED AS RECOMMENDED _____ OTHER _____

MOTION _____ SECOND _____ UNANIMOUS _____
BRAND _____ HERZOG _____ LYLES _____ ROMAN _____ STRATFORD _____ TOSTE _____ WATERHOUSE _____

better understanding of the project for Authority members and staff prior to the request for funding, and documents for staff to reference when claims are later received for reimbursement.

Paragraph 1, last sentence: This has been expanded to allow staff to request additional information on a project the ZooCorp wishes to be considered for funding to ensure that it includes sufficient documentation prior to being forwarded for review by Authority members and placed on the Authority's agenda.

Paragraph 3: New sentences have been added to define a change in scope and describe the process to manage a change in scope of a project previously approved for Measure Z funding. The purpose is to ensure that the Authority is informed of changes as they occur, and to ensure that both the Authority and the ZooCorp maintain transparency and accountability of public funds. While this addition was prompted by the South Corridor Infrastructure Project that changed from a construction manager to multi prime with project manager, this change is intended to address future situations involving current or future projects that are approved for funding based on the proposed use of certain contractors, but prior to commencing design or construction, the ZooCorp makes the decision to use other contractors.

Changes to the Procedures Page 15

Paragraph 5: A new sentence has been added to clarify the documentation required for Authority staff to review requests for reimbursement of Measure Z funds. The purpose is to shorten the staff review period, and consequently the reimbursement period to the ZooCorp, by requiring the receipt of all information, ideally *before*, but if not, *with* each claim. For example, capital claims can be reviewed in 18 days or less, and the record this year was 10 days from receipt of Claim 2018-2c to \$500,000 wired to the ZooCorp.

A second sentence has been added for a requirement for Project Managers and Contractors to provide additional documentation of hourly employees in agreements other than those where billing is on a percentage of progress basis. The purpose is to provide a clear understanding of how Measure Z funds are being used. For example, some draft contracts and proposals provided with past project funding requests have included lists of positions and hourly rates, and some invoices provided with claims have included employee names or positions. In contrast, other invoices have provided very little information and have required Authority staff to contact Zoo staff for clarification and added days to the claims review process.

Changes to the Procedures Page 27

Staff has drafted a new form: *Employee Hours Template for Invoices for Measure Z Funds* seen in Appendix IV, to be used as an example of the information required for claim reimbursement, and to be included with invoices as an additional attached document, or integrated into invoices if they do not already provide the information listed.

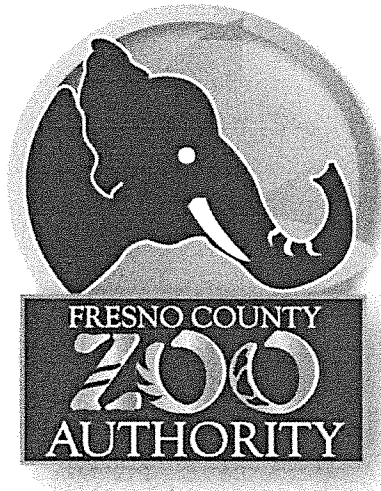
Address Changes

In anticipation of the Authority's location moving to the County Administrative Office, the address has been changed on pages 12 and 16.

Other minor changes were also made, mainly to adjust page numbers, appendices in the index and references in parenthetical notes or footnotes.

ATTACHMENTS:

A. Proposed amendments to *Procedures for Approving and Administering Measure Z Funds*



January 30, 2019
DRAFT Proposed Revisions

**Fresno County Zoo Authority
Procedures
for
Approving and Administering
Measure Z Funds**

Adopted
November 11, 2005

Revised
February 13, 2018

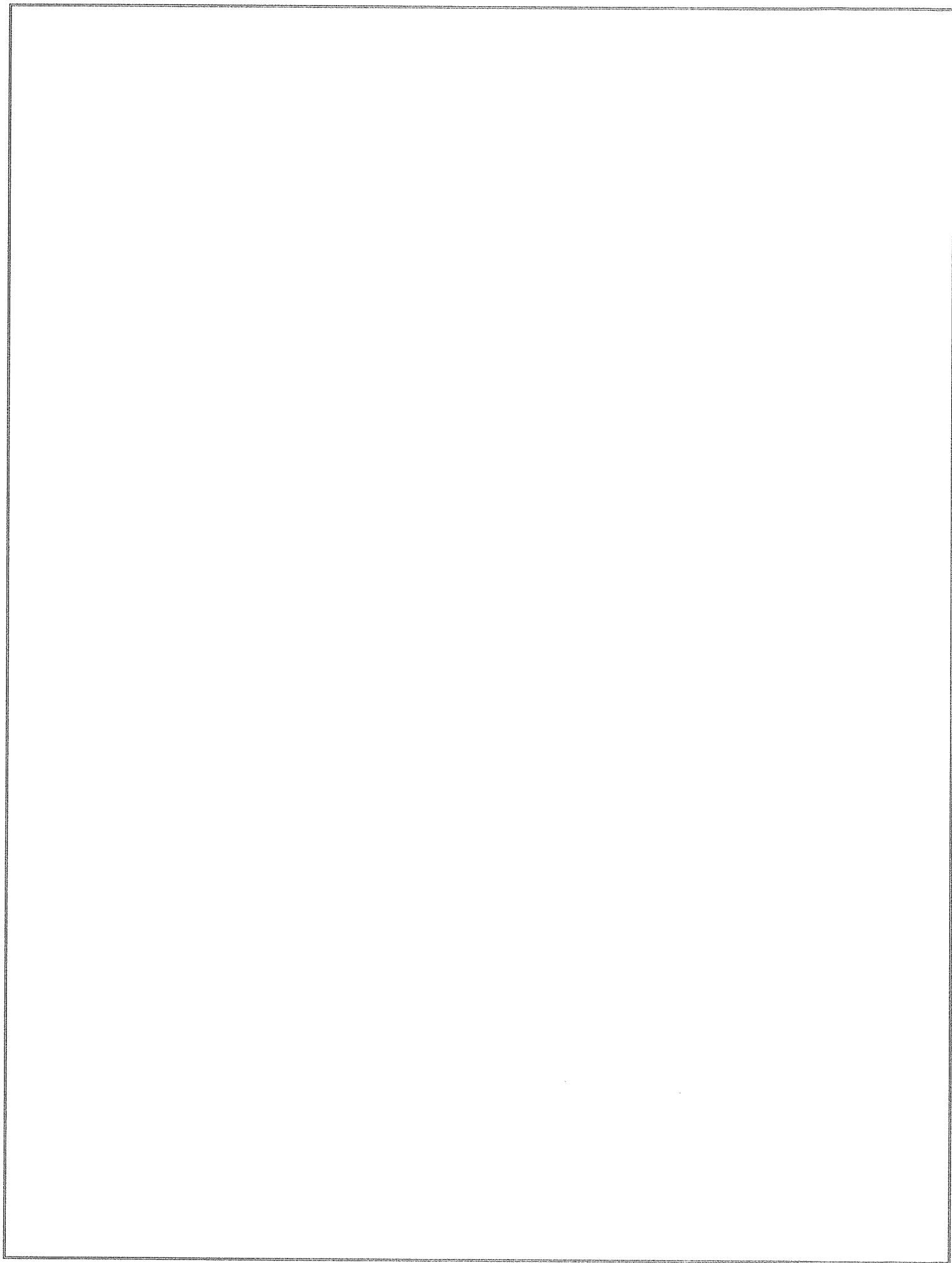
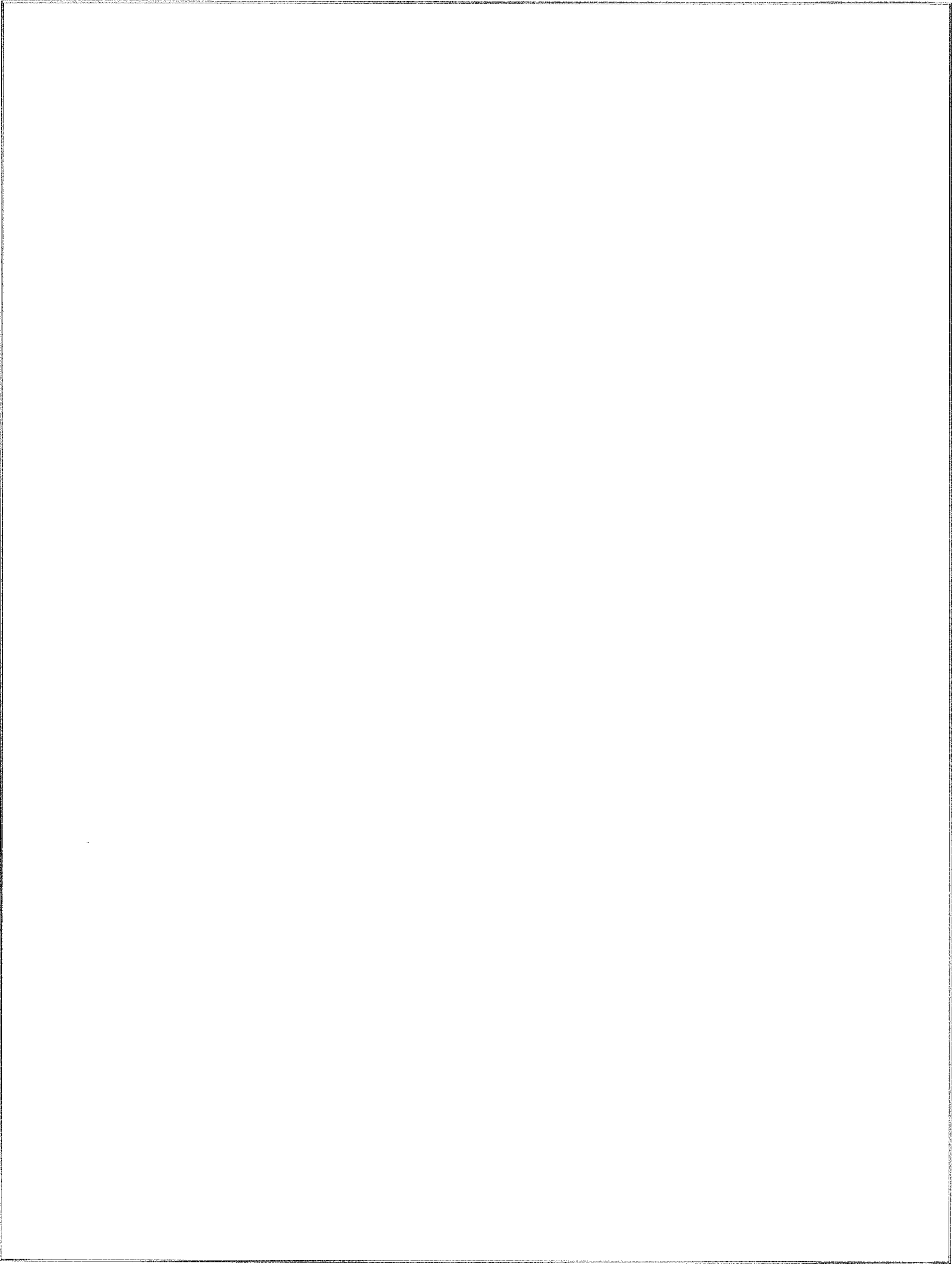


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INTRODUCTION

PURPOSE

To provide guidelines for the authorization and administration of Measure Z funds by the Fresno County Zoo Authority (Authority).

OVERVIEW

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%, proposed by the Authority, to support the Fresno Chaffee Zoo. On November 4, 2014, Measure Z was extended for another 10 years. The procedures described herein apply to the management and disbursement of Measure Z funds.

Simplified, the Bylaws of the Authority provide that the tax revenue can be used for the administration of the Authority and be allocated to Fresno's Chaffee Zoo Corporation (ZooCorp) for on-going operations, maintenance and capital facilities projects at that location.

The Authority Board (Board) will review and approve Measure Z funded line items of ZooCorp operations and capital projects budgets. Once these line items are approved by the Board, ZooCorp claims for reimbursement will be submitted to the Administrator for review and approval. Approved claims will then be forwarded to the Authority Treasurer (Treasurer) for accounting review before final review by Board members and payment processing.

Notes:

1) As contemplated by the AGREEMENT REGARDING PROCEDURES FOR THE DISTRIBUTION OF TAX REVENUE TO THE CHAFFEE ZOO between the Authority and ZooCorp,¹ dated December 21, 2005, these procedures provide the method for the requests for and approval of distribution of Measure Z funds.

2) These procedures will be reviewed with the Zoo Authority as needed for opportunity to update, amend, or edit to achieve greater efficiencies.²

Staff will report to the Authority as needed on the effectiveness of the procedures described herein and, with Authority approval, may modify the procedures based on additional history, experience or changes in technology.

3) The responsibilities of the Authority Administrator specified in these procedures may be carried out by the designated Authority Coordinator. In the temporary absence of the Coordinator, the Authority may assign those responsibilities to other staff.

4) As per the AGREEMENT BETWEEN FRESNO COUNTY ZOO AUTHORITY AND THE COUNTY OF FRESNO FOR PROFESSIONAL AND TECHNICAL SERVICES (#05-237),³ dated June 14, 2005, the County of Fresno Auditor-Controller/Treasurer-Tax Collector or his/her designee serves as Treasurer for the Authority.

¹ See Appendix IVV, Document A

² Procedures were previously revised on February 22, 2006, October 25, 2006, January 17, 2007, November 28, 2007, August 26, 2009, September 28, 2011, March 28, 2012, and June 29, 2016, and February 13, 2018.

³ See Appendix IVV, Document B

FINANCIAL MANAGEMENT SYSTEM

Through its approval of this procedure, the Authority has adopted a method of financial management that intends to be responsive to the needs of a small staff, while assuring payment procedures and monitoring controls that assure high accountability in the expenditure of public monies.

The Authority's financial management records will be maintained by the Treasurer in PeopleSoft, the County of Fresno's financial information system.

- There are two separate funds used to track and record all Measure Z financial activity. (Exhibit 1, page 2) Procedures regarding these funds are outlined in the Zoo Authority Bylaws.⁴
- Fund 4845 has been established to track and record Authority administration costs. The Bylaws provide that *"Up to 2% of the tax proceeds shall be allocated for administrative costs of the Authority. This administrative allocation shall be made based upon budgeted estimates of administrative costs prior to any distribution of tax revenues in any fiscal year to the Corporation "Administrative costs" shall mean actual expenses incurred by the Authority. Apportionment of any overhead and/or accounting of actual costs shall be accomplished in accordance with the standards and procedures found Title 2 Code of Federal Regulations, Subtitle A, Chapter II, Part 225."* Procedures regarding this fund are outlined in Zoo Authority Policies and Administrative Procedures, beginning in Section 1, page 4.
- In accordance with the Bylaws, the remaining annual tax proceeds will be allocated to reimburse qualifying ZooCorp operating and capital project claims. This Measure Z activity is tracked using fund 4850. Within this fund, two sub-classes (10000 and 42700) have been established to segregate monies available for disbursement to ZooCorp to be used in operations (10000) and capital facilities projects (42700). Procedures regarding this fund are outlined in Zoo Authority Policies and Procedures for Approval and Disbursement of Funds to Fresno's Chaffee Zoo Corporation, beginning in Section 2, page 11.
- All funds are deposited with the Fresno County Treasury and earn interest.

Once the funds are disbursed to the ZooCorp, the Authority's oversight extends to request monthly financial reports, annual audited financial statements with auditor's report, and annual agreed-upon procedures report of ZooCorp. The audited financial statements and/or related note disclosures must provide information specific to revenue and expenditures of Measure Z dollars related to on-going operations, maintenance and capital facilities projects at the Fresno Chaffee Zoo.

⁴ Appendix IVV, Document C

SECTION 1

ZOO AUTHORITY POLICIES AND ADMINISTRATIVE PROCEDURES

I. Authority Annual Budget and Control Policies:

As a matter of policy, the Authority intends to maintain the flexibility necessary to administer Measure Z funds through a minimalist approach, with emphasis on delivering oversight and performing due diligence in using public monies.

The Authority shall adopt an annual budget of its own administrative expenditures each fiscal year (July 1 to June 30). The adoption of the annual budget ~~will~~ will-shall be done during an Authority public meeting no later than one day prior to the start of the next fiscal year. The Authority's proposed annual budget will be available for public inspection at least fifteen days prior to the meeting. The Authority is not required to adhere to the specific requirements of the County Budget Act.

While the Authority may vary from this schedule, the anticipated timeline for the Authority to prepare and approve its own budget is as follows:

Suggested Budget Timeline	
March	Review Authority's current year spending and create forecasts for next fiscal year Measure Z revenues, administrative 2%, and expenditures)
April	Present and discuss draft Authority Budget at Public Meeting
May	Review and Approve Budget at Public Meeting

The annual budget is a line item budget consisting of several categories (object level) which may include Salaries and Employee Benefits, Services and Supplies, Equipment, and Other Charges. It is the Authority's policy that revenue exceeding expenditures during the budget/fiscal year will be added to the Administrative fund balance and held there until otherwise designated by the Authority Board.

II. Contracted Staff Responsibilities

As per the *Agreement Between the Fresno County Zoo Authority and County of Fresno for Professional and technical Services*,⁵ Fresno County will provide staff for the following tasks:

A. *Auditor-Controller/Treasurer-Tax Collector:*

The Auditor-Controller/Treasurer-Tax Collector (Treasurer) will provide staff to serve as accountant and treasurer for the Authority, and will exercise the fiscal responsibility to review, account for, and process payment of claims that are consistent with Authority approved budget appropriation limits at the line item level.

The Authority accepts the Treasurer's opinion on generally accepted accounting principles (GAAP), and will defer to the Treasurer on the appropriate accounting and reporting treatment for financial transactions related to the Administration, recording, and disbursement of Measure Z funds.

⁵Appendix IVV, Document B

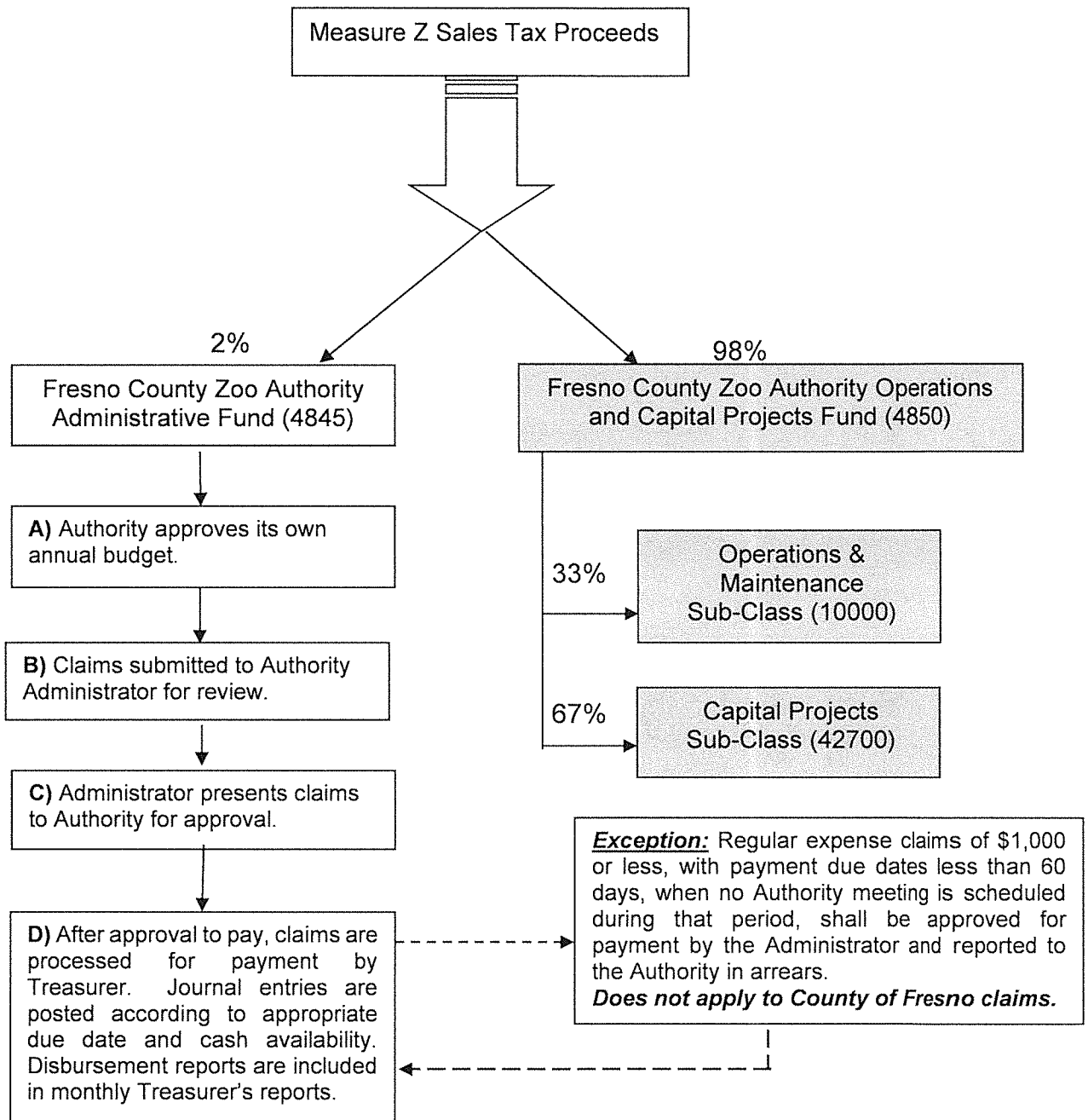
B. Responsibilities of Authority Administrator (or Designated Coordinator):

The Authority Administrator (County Administrative Officer) will act as a management official of the Authority to provide full administrative support, and to ensure separation of duties for internal control purposes. The Authority Administrator, or designated Coordinator, will act on behalf of the Authority to perform all of the following functions:

- 1) Make allowed/authorized purchasing requests.
- 2) Receive, review, and gain appropriate approval for Authority administrative claims prior to submitting them to the Treasurer for payment.
- 3) Receive, review, and approve or deny payment of all ZooCorp claims based on supporting documentation submitted to substantiate each claim; ensure that claims are consistent with the Board-authorized project plan, and approved budget appropriation limits at the line item and project levels.
- 4) Forward approved claims to the Treasurer for payment
- 5) Request for and review all documentation required by these procedures from external entities (including ZooCorp and the City of Fresno) to ensure compliance by ZooCorp. This documentation includes, but is not limited to, reports on annual audit and agreed-upon procedures engagement required of ZooCorp. In addition, the Administrator will communicate any findings or reportable conditions identified in the review of these documents to the Authority Board.

As management for the Authority, the Coordinator will have the authority (on approval by the Authority Board Chair) to request from other Authority Staff the preparation of documents that may provide additional financial information to the Board. This includes, but is not limited to, additional accounting reports from the Treasurer and legal opinions from Legal Counsel that may clarify financial matters. Such requests should be made in writing or via e-mail. Authority staff (Treasurer, Legal Counsel, etc.) should provide the requested documentation within 14 business days of the request.

Exhibit 2 – Zoo Authority Claims Approval Process Overview



III. Authority Financial Policies:

- A. In the absence of an Authority policy to the contrary, the Standards and Procedures for Counties, State of California, will be used as the Authority guide on fiscal matters.
- B. All expenditures of the Authority will be on a “claims” approval basis tracked against approved budget categories. (See *Authority Claims Approval Process/Procedures* below.)

IV. Authority Administrative Claims Approval Process/Procedures:

The following information pertains to payment for Authority expenses, based on the Authority’s own approved administrative budget. These adopted procedures, as part of the financial management system of the Authority, provide for a high degree of accountability, monitoring, and tracking. All expenditures must be claim based, i.e., a bill or claim for payment in writing.

Only claims for reimbursements or for payments for goods and services, acceptable in the Measure Z Ordinance and Authority Bylaws will be accepted and approved by the Authority Administrator, reviewed by the Authority Board, and processed for payment by the Treasurer. For the most expeditious reimbursement, claims from supporting County departments should be submitted to the Administrator on a regular basis in order to be considered for approval at the next scheduled Authority Board meeting.

A. Non Fresno-County Related Expenses

- 1) All claims must be submitted to the Authority Administrator. The Treasurer will not accept any direct requests for claims of Authority administrative expenses.
- 2) The Administrator will review all claims and/or vendor invoices against the approved budget line items (i.e., funds must be in the appropriate category).
- 3) Claims submitted with insufficient/inappropriate documentation, against an unapproved budget line item, or exceeding budget limits will be rejected by the Administrator and returned to vendors for revision.
- 4) Upon completion of review and approval of claims, the Administrator will forward them to the Treasurer for payment processing.
- 5) Once an Administrator-approved claim is received the Treasurer will review, account for, and process payment in a timely manner, provided the claim is within budget appropriation limits at the line item level.
- 6) If sufficient cash is not available to pay a valid claim, the Treasurer will contact the Administrator, who will seek direction from the Authority at the next public meeting by presenting the claim and a recommendation to the Authority.
- 7) Treasurer’s reports will be available monthly, tracking the expenditures, the categories, the level of expenditures and the amount available for future spending.
- 8) In addition, the Administrative and Trust Funds will be reconciled and reports will be furnished to the Authority as part of the Treasurer’s Report for further tracking of expenditures and reporting their status.

B. Fresno-County Related Expenses

- 1) All claims must be submitted to the Authority Administrator. The Treasurer will not accept any direct requests for claims of Authority administrative expenses.
- 2) The Administrator will review and summarize all claims, forward to the Treasurer for review, and present the summary to the Authority for its approval prior to submitting the claims to the Treasurer for payment.
 - a) *Exception:* Where summarizing and seeking Authority approval prior to submission to Treasurer would delay payment more than sixty days from the claim due date, the Administrator is authorized to submit claims of less than \$1,000 on an individual basis to the Treasurer for expeditious payment processing, and the Administrator is further directed to report the payment in arrears to the Authority.
- 3) Authority approval will be documented in the Board's meeting minutes authorizing the specific payment within a rounding tolerance of \$1.00. Unpaid County of Fresno invoices have no expiration date and will be paid as presented to the Board.
- 4) Claims will be reviewed by the Treasurer for their appropriateness and to ensure it is within budget appropriation limits at the line item level.
- 5) No claim for reimbursement shall be paid without formal approval of the Authority, unless the approval is delegated to the Authority Administrator.
- 6) Where approval is delegated to the Authority Administrator, authorization to pay claims is derived from an approved budget.
- 7) Claims for reimbursement or payment of administrative expenses on behalf of the Authority shall be approved by the Authority Administrator, or his or her designee, reference the source of the authorizing approved budget (specifically, the account to be charged) and be submitted to the Treasurer in writing.
- 8) Records of all claims paid will be kept in accordance with the County of Fresno Records Retention Schedule and may be maintained as paper records ("hard copy") or scanned and maintained electronically ("soft copy") for audit purposes and future reference.

V. Authority Purchasing Policies:

The Authority may contract with any department or agency of the United States, with any public agency, including but not limited to, the County of Fresno, or any county, city or district, with any vendor or with any person upon any terms and conditions that the Authority finds in its best interest.

With the exception of the contract with the County of Fresno for staff services, contracts for the purchase of services, supplies, equipment, and materials in excess of ten thousand dollars (\$10,000.00) shall be awarded through competitive bidding processes, except in an emergency declared by the Authority, or by an executive committee to which the Authority has delegated responsibility to make that declaration.

If after rejecting bids received under the above, the Authority determines and declares that, in its opinion, the services, supplies, equipment or materials may be purchased at a lower price on the open market, the Authority may proceed to purchase these services, supplies, equipment, or materials in the open market without further observance of the provisions regarding contracts, bids, or advertisements.

The Authority may use the purchasing/bidding capabilities of the County where timely application and the combining with its larger volume purchasing abilities would be advantageous to the Authority.

Wherever feasible, the Authority will establish contracts that are negotiated and created on a not to exceed basis with a delineation of the goods and/or services to be provided.

VI. Authority Contract Policies:

The Authority Administrator is authorized on behalf of the Authority to enter into agreements and contracts or purchases for services and supplies up to a maximum amount of \$5,000 per vendor per year, or for multi-year contracts up to a maximum of \$5,000, in accordance with an approved budget.

Contracts or purchases with vendors exceeding \$5,000 limit must be presented to the Authority Board for approval. Any contract with the County of Fresno (for contracted staff services) must be presented to the Authority Board for approval.

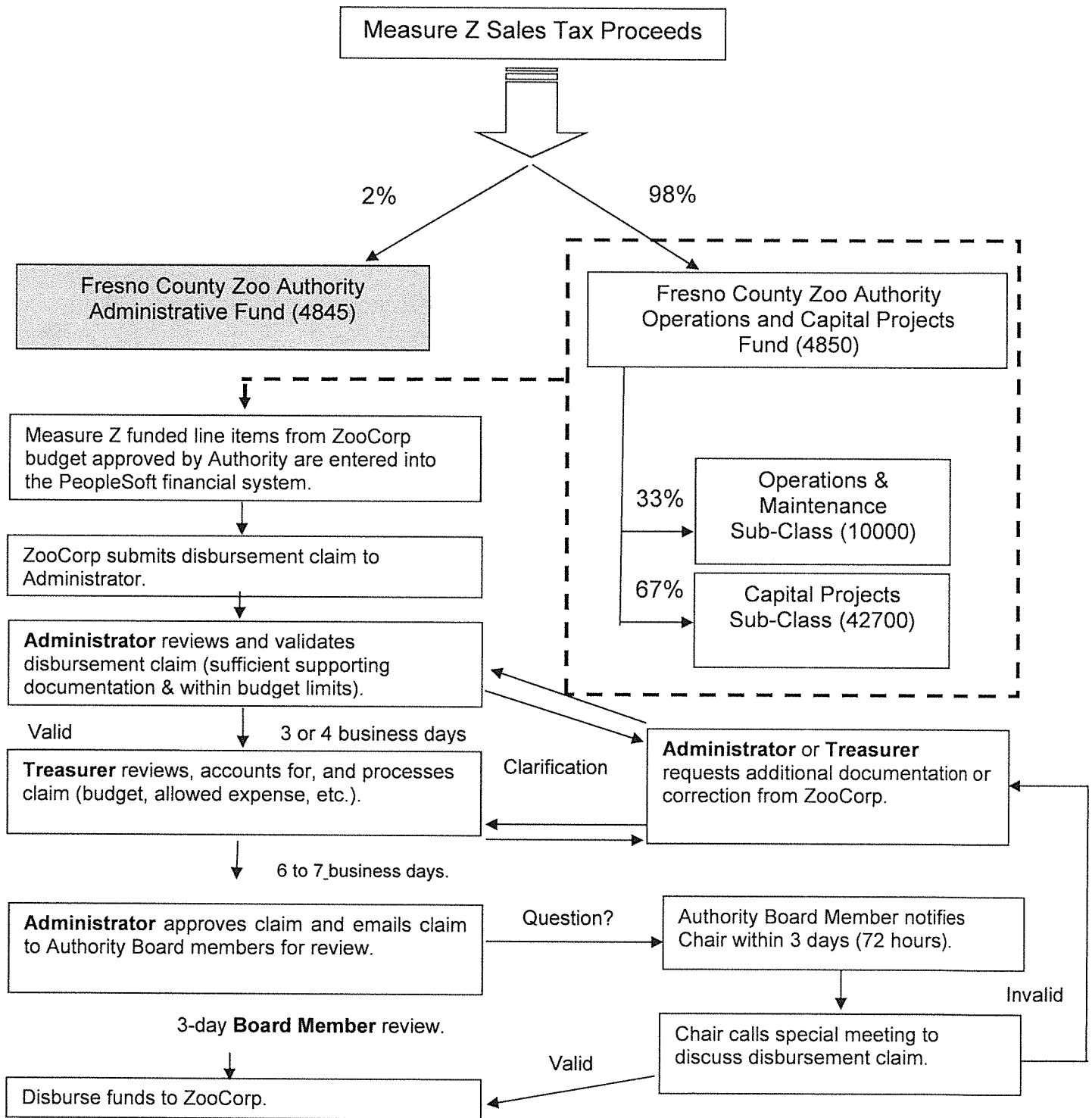
VII. Authority Financial Reporting and Audits:

The office of the Auditor/Controller–Treasurer/Tax Collector will prepare the Authority’s Financial Statements at the end of each fiscal year. These financial statements will be audited by an external certified public accountant or firm (independent auditor) as selected by the Authority Board or committee appointed by the Board. The annual audit will be conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The report issued by the independent auditor as well as the related financial statements will be presented to the Authority Board and the general public at an Authority publicly noticed meeting. Notice of this presentation will be communicated to the public via the Authority’s website at least 15 days prior to the meeting.

Inquiries Related to these Policies and Procedures:

Questions regarding these policies and procedures should be directed to the Administrator or may be raised during public comment at any Authority publicly noticed meeting.

Exhibit 3– Zoo Corporation Claims Approval Overview



Fresno County Treasury processing and electronic funds transfer may require up to 4 days.

SECTION 2

ZOO AUTHORITY POLICIES AND PROCEDURES FOR APPROVAL AND DISBURSEMENT OF FUNDS TO FRESNO'S CHAFFEE ZOO CORPORATION

I. Operations

A. Operations Budget

- 1) Each year, ZooCorp shall present operations budget line items (accounts) to be funded by Measure Z for approval by the Authority Board. At least 30 days prior to requesting approval, the budget shall be provided for Board and staff review. The segregated line items shall be specifically identified in ZooCorp's budget and shall be funded 100% (up to the budget amount) with Measure Z operations funds.
- 2) When ZooCorp's operations budget has been presented and Measure Z funded line items have been approved by the Authority, and as long as all other funding criteria as specified in the bylaws and claim supporting documentation requirements are met, the Authority adopts a policy of a standing authorization delegating final claim approval authority to the Administrator (or designated Coordinator) and approving the Treasurer to release funds to ZooCorp in accordance with the Administrator's signed approval and Board approved budget limits.

B. Disbursement of Measure Z Funds for Operations

- 1) ZooCorp shall submit a monthly operations claim separately for each month of the year within 60 days after the end of the month, with the exception of the first claim of ZooCorp's fiscal year, which shall be submitted within 90 days after the end of the month of December. Expenditures submitted more than 6 months after expenses are incurred will require explanation before processing. In addition, expenditures submitted more than 12 months after expenses are incurred will require Authority Board action.
- 2) The Disbursement Claim form (Appendix I) shall be used by ZooCorp. This form may be modified as mutually agreed by the Authority and ZooCorp.
- 3) Reimbursement shall be requested for incurred expenses only, with the exception of prepaid expenses or deposits on goods/services previously authorized through an Authority Board action at a public meeting.
- 4) Each operations claim shall contain expenses incurred only during the current ZooCorp budget year (January 1-December 31). Reimbursement will not be processed for expenses incurred in prior years, unless authorized through an Authority Board action at a public meeting. The lone exception is the claim for December expenses, which will occur in the subsequent Zoo Corp budget year.
- 5) Claims submitted shall have supporting documentation for expenses, including copies of the general ledger and/or other financial reports extracted from ZooCorp official accounting system, invoices and vendor contracts. Copies of invoices of \$1,000 or more shall also be included. Additional supporting documentation, including but not limited to invoices below \$1,000, may be requested of ZooCorp at the discretion of the Authority Board and/or staff.
- 6) In general, disbursements to ZooCorp will be equal to or greater than \$100,000 at a time.

- 7) The Authority does not need to take action for each disbursement or release of funds subsequent to approval of the ZooCorp budget line items. The Administrator is granted standing authority to approve claims submitted by ZooCorp. The Treasurer is granted authority to disburse funds (initiate the cash transaction) in accordance with budget limits, when the Treasurer receives the approved claim from the Administrator. Except in the absence of the Administrator, the Treasurer will not accept claims directly from ZooCorp. While the Treasurer can *receive* claims, it should be noted that *approval* must still be provided by the Administrator before the claim can be processed.
- 8) All disbursement claims shall be submitted to the attention of the Administrator, or in the absence of the Administrator, to the Treasurer. The disbursement request may be submitted as a “hard copy” (paper with an original ink signature) or emailed (preferred) from the ZooCorp Chief Financial Officer (CFO) or authorized person. See Section V.B., page 16 for documentation of authorized persons.
 - a) Hard copy disbursement claims shall be sent to: County of Fresno, ~~Department of Public Works and Planning~~ Administrative Office Attn: Zoo Authority Coordinator, ~~2220~~ 2281 Tulare Street, ~~6th Floor~~ ~~6th Floor~~, Room 304 Mail Stop # 214 20, Fresno, CA 93721.
 - b) E-mailed disbursement claims shall be sent to the Authority Coordinator, and a copy emailed to the Treasurer.
- 9) Disbursement claims shall reference the Operations Fund as the source of the approved budget. (See Disbursement Claim Form, Appendix I.)
 - a) Any disbursement request that would exceed the monthly budgeted amount of a particular Measure Z funded line item shall include explanations by ZooCorp management and details of variances of 25% or \$25,000 (whichever is less).
 - b) The Administrator will work directly with ZooCorp to ensure all required documentation to support the claim is provided, and to verify that the claim request is within approved budget limits at the line item level. Through each step in the claim process, the Administrator, Treasurer and ZooCorp CFO or designee will maintain communication by email to track the claim, anticipate and manage any problems, and minimize delays.
- 10) Payment of the claims will be processed as expeditiously as possible, within a maximum 16 business days from receipt of a complete claim to the Administrator: three days for Administrator review, six days for Treasurer review, three days for Board review, and up to four days for Fresno County Treasury processing and electronic funds transfer, unless extraordinary circumstances allow faster or require slower processing of the request.
 - a) Requests for clarification or additional documentation may delay the review process until resolved.
 - b) Claims will be processed in the order received, although ZooCorp may request that claims be processed in a particular order (e.g. an Operations claim before a Capital claim).
 - c) Claims will not be processed concurrently; each claim will be processed to the point of Authority Board review before a subsequent claim is processed.

- 11) After review, the Administrator will notify the ZooCorp CFO, and forward the claim to the Treasurer for review.
- 12) The Treasurer will review the claim for accounting form to ensure disbursement is in compliance with the approved budget limits, and accounting principles generally accepted in the United States (GAAP).
- 13) If sufficient cash is not available to pay a valid disbursement claim, the Treasurer will seek direction from the Authority at the next regularly scheduled public meeting, or specially requested meeting, by presenting the claim and a recommendation to the Authority.
- 14) Upon the completion of review of a claim, the Treasurer will email the claim to the Administrator for approval. The Administrator will then forward the claim to all members of the Zoo Authority Board for review and notify the ZooCorp CFO.
 - a) Any Authority Board member wishing to question or object to the claim must contact the Chair and Administrator, within 3 business days of the date and time of the claim email, and request a special meeting be arranged.
 - b) The Chair will notify the Authority Administrator to call a meeting for discussion of the claim. The special meeting called by the Chair shall be held as soon as it can be reasonably arranged for a quorum to be present at said meeting.

Note: No discussion of the disbursement claim or approval/denial can happen among Board members via email. Discussion and action must be taken during a public meeting.

- c) If no request for a special meeting is received by the Administrator from a Board member by the expiration of the time specified in 13a above, the Treasurer will then direct payment for the claim to be processed expeditiously.
- 15) Disbursement of Funds:
 - a) The Treasurer will forward EFT confirmation or other record of disbursement to the Administrator and ZooCorp. The Administrator will then post the claim to the Zoo Authority website.
 - b) EFT fees will be charged at the current County of Fresno rate published in the annual Master Schedule of Fees. The disbursement claim must reference the appropriate banking information.

II. Capital Projects

A. *Capital Projects Budget and Plan*

ZooCorp shall provide reports on current and future projects at each Authority Board meeting, and provide updates as needed to the Zoo's Master Plan.

- 1) For each capital project funding request, ZooCorp shall provide to the Administrator an agenda item ~~of~~ for the proposed project for the Authority's consideration, including a description of the proposed project, conceptual design, major contractors, a summary of bid proposals, as well as a ZooCorp approved estimated budget, and Zoo Project Manager and contractor(s) agreements and/or proposal(s) that include a detailed scope of work. These documents shall be provided to Authority Board members and staff for review at least 30 days before requesting approval by the Zoo Authority Board. The budget shall include segregated line items (accounts) and related request amounts that may be adjusted within the total budget. If a project budget includes a contingency line item, and contingency funds are later requested for reimbursement, an explanation of the expenditure will be noted on the Disbursement Claim form (Appendix I). Funding requests for project design or construction over \$30,000, and/or for projects with a contract that includes a Construction Manager at Risk shall follow the Authority's Retention Policy, adopted September 30, 2015. (See Appendix II, Definitions, Paragraph 3, and Requirements, Paragraph 1.) The Authority Board or staff may request additional information from ZooCorp on the planned projects prior to hearing a request for funding.
- 2) The budget for a specific major project may be requested in one lump sum, but will only be approved at the discretion of the Authority Board. In the event that a budget is approved for an entire project that will be constructed over a period of time exceeding one Authority fiscal year (July 1-June 30), any unexpended appropriations will be encumbered (rolled over) at year end. The encumbered appropriations will be available to pay for construction in progress for a period not to exceed two (2) fiscal years or 24 months, after which ZooCorp may request approval of a re-appropriation of unspent funds for incomplete projects at an Authority Board meeting. The request shall include a presentation on the projects and progress to date.
- 3) ZooCorp may present to the Authority Board an annual capital projects budget request, and/or at any meeting may request funds for specific capital projects. At the request of ZooCorp and with the approval of the Authority Board, a specific project budget may be modified for large project changes. If after funding has been approved for a project, there is a change in scope involving the cost, budget, design, or timeline of the project, or a change with a previously contracted service provider, ZooCorp shall notify the Authority, and take appropriate action as possible to modify agreements with contractors or sub-contractors, and provide them to the Authority. ZooCorp shall then request re-approval of the project's funding under the new scope of work or new or amended agreements at the next Authority meeting, after which further reimbursement may be claimed.
- 4) When ZooCorp capital projects budgets have been approved by the Authority, and as long as all other funding criteria as specified in ~~the Authority b~~Bylaws, and financial procedures, and claim supporting documentation requirements are met, the Authority adopts a policy of a standing authorization, delegating final claim approval authority to the Administrator (or designated Coordinator) and approving the Treasurer to release funds to ZooCorp in accordance with the Administrator's signed approval and Board approved budget limits.

B. Capital Projects Policy

All capital project claims submitted by ZooCorp for reimbursement shall be in accordance with the Authority's Measure Z Capital Projects Policy. Adopted June 24, 2009, the Policy defines the criteria of capital projects that qualify for reimbursement of Measure Z funds. (See Appendix III.)

C. Disbursement of Measure Z Funds for Capital Projects

Procedures for the disbursement of funds for Capital Projects claims are similar but not identical to Operations claims. Differences are found below in paragraphs 1, 5, 9a, 10, 13 and 14c.

- 1) The ZooCorp may submit capital claims on an as-needed basis, usually within 60 days after the end of a month, with the exception of the first claim of the ZooCorp's fiscal year, which shall be submitted within 90 days after the end of the month of December. Expenditures submitted more than 6 months after expenses are incurred will require explanation before processing. In addition, expenditures submitted more than 12 months after expenses are incurred will require formal Zoo Authority Board action.
- 2) The Disbursement Claim form shall be used by ZooCorp. This form may be modified as mutually agreed by the Authority and ZooCorp.
- 3) Reimbursement shall be requested for incurred expenses only. No prepaid expenses or deposits on goods/services will be reimbursed, unless authorized through an Authority Board action at a public meeting.
- 4) Each Capital claim shall contain expenses incurred only during the current ZooCorp budget year (January 1-December 31). Reimbursement will not be processed for expenses incurred in prior years, unless authorized through an Authority Board action at a public meeting. The lone exception is the claim for December expenses, which will occur in the subsequent Zoo Corp budget year.
- 5) Claims submitted shall have supporting documentation for expenses, including copies of the general ledger and/or other financial reports extracted from ZooCorp's official accounting system. Claims will be reviewed and processed for reimbursement only after Authority staff determines that provided invoices signed contracts or signed proposals, bonds, and invoices include sufficient detail of work. Invoices of Project Managers and their employees under contract with ZooCorp who may simultaneously work on multiple projects, and design firms or contractors whose agreements or proposals include hourly rates rather than progress billing, shall also include each employee name or job title, duties or tasks accomplished, hourly rate and hours worked on each project. (See new Appendix IV, Employee Hours Template for Invoices for Measure Z Funds.) Copies of invoices of \$1,000 or more shall also be included. Additional supporting documentation, including but not limited to invoices below \$1,000, may be requested of ZooCorp at the discretion of the Authority Board and/or staff.
- 6) In general, disbursements to ZooCorp will be equal to or greater than \$100,000 at a time.
- 7) The Authority Board does not need to take action for each disbursement or release of funds subsequent to approval of the project budget. The Administrator is granted standing authority to approve claims submitted by ZooCorp based on the approved project budget, and the Authority's Capital Projects Policy. The Treasurer is granted authority to disburse funds (initiate the cash transaction) in accordance with project budget limits for line items when the Treasurer receives the approved claim from the Administrator. Except in the absence of the Administrator, the Treasurer

approved claim from the Administrator. Except in the absence of the Administrator, the Treasurer will not accept claims directly from ZooCorp. While the Treasurer can *receive* claims, it should be noted that *approval* must still be provided by the Administrator before the claim can be processed.

- 8) All disbursement claims shall be submitted to the attention of the Administrator, or in the absence of the Administrator, to the Treasurer. The disbursement request may be submitted as a "hard copy" (paper with an original ink signature) or emailed (preferred) from the ZooCorp CFO or authorized person See Section V.B., page 18 for documentation of authorized persons.
 - a) Hard copy disbursement claims shall be sent to: County of Fresno, ~~Department of Public Works and Planning~~, Administrative Office Attn: Zoo Authority Coordinator, 2220-2281 Tulare Street, ~~6th Floor, Room 304~~ Mail Stop #214 20, Fresno, CA 93721.
 - b) E-mailed disbursement claims shall be sent to the Authority Coordinator, and a copy emailed to the Treasurer.
- 9) Disbursement claims shall reference the Capital Projects Fund as the source of the approved budget. (See Disbursement Claim Form, Appendix I.)
 - a) The Administrator will work directly with ZooCorp to ensure all required documentation to support the claim is provided, and to verify that the claim request is within approved budget limits at the line item level. Through each step in the claim process, the Administrator, Treasurer and the ZooCorp Chief Financial Officer (CFO) or designee will maintain communication by email to track the claim, anticipate and manage any problems, and minimize delays.
- 10) Payment of the claims will be processed as expeditiously as possible, within a maximum of 18 business days from receipt of a complete claim to the Administrator: four days for Administrator review, seven days for Treasurer review, three days for Board review, and up to four days for Fresno County Treasury processing and electronic funds transfer, unless extraordinary circumstances allow faster or require slower processing of the request.
 - a) Requests for clarification or additional documentation may delay the review process until resolved.
 - b) Claims will be reviewed in the order received, although ZooCorp may request that claims be processed in a particular order (for example, an Operations claim before a Capital claim).
 - c) Claims will not be reviewed concurrently; each claim will be processed to the point of Authority Board review before a subsequent claim is processed.
- 11) After review, the Administrator will notify the ZooCorp CFO, and forward the claim by email to the Treasurer for review.
- 12) The Treasurer will review the claim for accounting form to ensure disbursement is in compliance with the approved budget limits, and accounting principles generally accepted in the United States (GAAP).

If sufficient cash is not available to pay a valid disbursement claim, the Treasurer will seek direction from the Authority at the next regularly scheduled public meeting, or specially requested meeting, by presenting the claim and a recommendation to the Authority.

13) Upon the completion of review of a claim, the Treasurer will email the claim to the Administrator for approval. The Administrator will then forward the claim to all members of the Zoo Authority Board for review and notify the Zoo Corp CFO. If a project budget included a contingency line item and contingency funds were requested for reimbursement, an explanation of the expenditure will be noted on the Disbursement Claim form.

a) Any Authority Board member wishing to question or object to the claim must contact the Chair and Administrator, within 3 business days of the date and time of the claim email, and request a special meeting be arranged.

b) The Chair will notify the Authority Administrator to call a meeting for discussion of the claim. The special meeting called by the Chair shall be held as soon as it can be reasonably arranged for a quorum to be present at said meeting.

Note: No discussion of the disbursement claim or approval/denial can happen among Board members via email. Discussion and action must be taken during a public meeting.

c) If no request from a Board member for a special meeting is received by the Administrator by the expiration of the time specified in 13a above, the Administrator will then direct the Treasurer to process payment of the claim expeditiously.

14) Disbursement of Funds:

a) The Treasurer will forward the EFT confirmation or other record of disbursement to the Administrator and ZooCorp. The Administrator will then post the claim to the Zoo Authority website.

b) The EFT fees will be charged at the current County of Fresno rate published in the annual Master Schedule of Fees. The disbursement claim must reference the appropriate banking information.

c) As per Agreement,⁶ for contracts with retention, confirmation of the deposit of funds into an escrow account shall be provided by ZooCorp to the Administrator within 3 days of disbursement.

III. Authority Staff Accounting Records and Reporting:

A. At time of approval, Measure Z funded line items (estimated expenditures and/or disbursements), and estimated sales tax revenue information from ZooCorp budgets will be loaded into the County's PeopleSoft financial system.

B. ZooCorp disbursements will be tracked against those Measure Z related line items.

C. At each Board meeting staff will present monthly reports to the Authority regarding Measure Z funds and disbursements to ZooCorp

D. Records of all claims paid will be kept in accordance with the County of Fresno's records retention policies and may be maintained as paper records ("hard copy") or scanned and maintained electronically ("soft copy") for audit purposes and future reference.

⁶ See Appendix IVV, Document D

- E. Each uniquely identifiable Capital Project will be assigned a project number in PeopleSoft that will be used to track the project budget as well as transactions to date and to facilitate project level reporting to the Board, ZooCorp or public.

IV. Fresno's Chaffee Zoo Corporation Accounting Records and Reporting:

- A. To ensure expenses for claims submitted are not also being reimbursed by a third party (such as the City of Fresno), ZooCorp must track expenses for a single project to be reimbursed by multiple entities on separate general ledger accounts (i.e., Improvements-Measure Z, separate from Improvements-City of Fresno).
- B. At least on a monthly basis, ZooCorp shall provide a financial report including variance analysis against budget to the Authority. This report shall consist at a minimum of a Profit & Loss Statement and shall specifically identify Measure Z funded expenditures line items, and shall include explanations and details of any line item variances. ZooCorp shall have a representative at each of the Authority Board meetings who shall be prepared to answer questions from the Board and/or public related to its financial report.
- C. In accordance with Authority requests or other agreements, ZooCorp will generate reports of disbursed amounts tracking the expenditures, categories, level of expenditures, and amounts available for future spending.

V. Additional Documentation:

- A. Before any disbursement requests are honored, ZooCorp ~~will~~ shall provide to the Treasurer a completed "Request for Taxpayer Identification Number and Certification" (IRS form W-9) and a list of persons authorized to approve funding requests on behalf of ZooCorp.
- B. Annually, or when changes in personnel occur, ZooCorp shall provide a list of ZooCorp officials to the Authority, including signatures and email addresses, who are authorized to approve and submit claims for disbursement of Measure Z funds.

VI. Fresno's Chaffee Zoo Corporation Financial Reporting and Audits:

- A. ZooCorp shall provide the Authority with audited financial statements and an audit report for each fiscal year. The audit of these financial statements shall be performed by an external certified public accountant or firm (Independent Auditor) and shall be conducted in accordance with auditing standards generally accepted in the United States of America. As a specific requirement of the Authority, the audited financial statements shall disclose "separately" (on a Measure Z Tax footnote) all financial activity related to the revenue and expenditures of Measure Z funds by ZooCorp. Operations expenses should be segregated by account name, while capital project expenses should be segregated by both account name and project.
- B. ZooCorp shall also provide to the Authority with an "Independent Accountant's Report on Applied Agreed-Upon Procedures" to be performed by ZooCorp external auditor. As part of these Agreed-Upon Procedures, the external auditor must at a minimum, perform the following procedures: (1) review all (100%) reimbursements to ZooCorp for Measure Z funded expense line items paid by "all other entities or third parties (other than the Authority)", for purposes of determining if any operating and/or capital project expenses reimbursed by the Authority (Measure Z funds) were also reimbursed by a different entity or third party, and (2) review a sample (at least 75% population coverage) of Measure Z claims submitted for operations and capital projects, to determine if Measure Z-funded expenses were accounted for separately.

- C. 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.
- D. The Zoo Corp shall maintain inventory of all capital improvements purchased with Measure Z capital projects funds regardless of whether the improvements are capitalized or not. ZooCorp management shall present an annual report of capital assets inventory including additions and deletions. The inventory report shall cover a full calendar year (January-December) utilizing the accrual basis of accounting, and should be certified/attested to by ZooCorp external auditor (in writing). The report shall be presented to the Authority Board during a regular public meeting by June 30th of each year, or its next scheduled meeting.

Inquiries of ZooCorp’s Financial Position:

For questions related to the financial position of the ZooCorp should be directed to the organization.

Inquiries Related to these Policies and Procedures:

Questions regarding these policies and procedures should be directed to the Administrator, or may be raised during public comment at any publicly noticed meeting of the Authority.

APPENDIX

Appendix I

Disbursement Claim for Measure Z Funds

Please remit to:

Fresno's Chaffee Zoo Corporation
894 W. Belmont Ave.
Fresno, California 93728

★ _____ Disburse via Wire Transfer

Receiving Bank ABA# _____
ABA # _____
Account # _____
Account Title _____

Disbursement Claim #: _____ Claim Submission Date: _____

☐ Operations

☐ Capital Projects

For questions regarding the status of this disbursement request, please contact the Office of the Auditor/Controller-Treasurer/Tax Collector, Financial Reporting & Audits Division, (559) 600-1373.

☐ *Check here if this disbursement request is electronically submitted to the Zoo Authority Administrator*

☐ *Check here if this disbursement request is electronically approved for payment by the Zoo Authority Administrator.*

Fresno's Chaffee Zoo Corporation
Chief Financial Officer or designee
Approval Signature

Fresno County Zoo Authority
Administrator/Coordinator
Approval Signature

Disbursement Claim for Measure Z Funds

Disbursement Claim #: _____ Claim Submission Date: _____

Request Details

Invoice Date or Date Range (if multiple invoices)	Approved Monthly Budget Covering Invoiced Month(s)	Budget Line Item	General Ledger Account No. and Description	Amount Requested
			Wire Fee	
			TOTAL AMOUNT REQUESTED	

Capital Claim contingency usage, or Operations Claim budget variance explanation:

Appendix II

Retention Policy

Adopted September 30, 2015
Revised February 13, 2018

Purpose

This Policy provides requirements for Agreements between the Fresno Chaffee Zoo Corporation (ZooCorp) and any party acting as a Construction Manager at Risk for construction of Measure Z funded capital projects, and the process for the disbursement of Measure Z funds and release of funds in escrow when there is agreement for security deposits in lieu of retention.

Definitions

1. "Agreement" shall be defined herein as an executed contract.
2. "Construction Manager at Risk" shall be defined as an individual, partnership, joint venture, corporation, or other recognized legal entity, that is appropriately licensed in this state, including a contractor's license issued by the Contractors' State License Board, and that guarantees the cost of a project and furnishes construction management services, including but not limited to, preparation and coordination of bid packages, scheduling, cost control, value engineering, evaluation, preconstruction services, and construction administration.
3. "Retention" shall be defined as the percentage of the Measure Z funds retained by the ZooCorp for security purposes relating to work to be performed on claims reimbursed for Capital Projects over \$30,000, and/or for which there is a Construction Manager at Risk. Retention shall be no less than five percent (5%). If the Authority has approved a finding by the ZooCorp, on a project by project basis, during a properly noticed and normally scheduled public hearing and prior to bid, that a project is substantially complex and therefore requires a higher retention amount, Retention may be greater than 5%, but not more than ten percent (10%).
4. "Escrow Account" shall mean an account established at a financial institution or bank by ZooCorp for purposes of depositing and holding Retention funds paid by the Authority to ZooCorp, pending disbursement, to the Construction Manager at Risk.

Requirements

1. ZooCorp requests for funding for construction of Capital Projects over \$30,000 (and/or for which there is a Construction Manager at Risk) shall be received for staff and Board member review at least 30 days before the Board meeting at which the funding request will be made, and shall include an Agreement with the construction firm stating the requirement for Retention and its terms.
2. Requests for funding for the design of Capital Projects over \$30,000 shall be received for staff and Board member review at least 30 days before the Board meeting at which the funding request will be made, and shall include an Agreement with the design firm stating the requirement for Retention and its terms.

(continued)

Appendix II

Page 2

Procedures for Payment of Invoices by the Authority

ZooCorp invoices are received, reviewed, and paid in accordance with the terms of the December 21, 2005 Agreement Regarding Procedures For Distribution Of Tax Revenue To The Chaffee Zoo, as amended, and with the Authority's Procedures for Approving and Administering Measure Z Funds.

ZooCorp's Deposit of Funds Received from Authority

Not later than two business days from its receipt of funds from the Authority for reimbursement of project invoices, ZooCorp shall deposit Retention funds in the appropriate Escrow Account. Within one business day of deposit of funds in the Escrow Account, ZooCorp shall send proof of deposit of the funds to the Authority.

Certification to the Authority

Prior to releasing any Retention funds from the Escrow Account, ZooCorp shall request the release at an Authority Board meeting, at the same time presenting written certification that all conditions of the Escrow Agreement have been met, that the construction project is final and complete in accordance with the construction contract, and that the release of funds in the Escrow Account is appropriate. If applicable, such written certification shall include certification from the project architect or lead engineer that the project has been completed in accordance with the plans and specifications.

Disputes

1. The ZooCorp shall advise the Authority in writing of any dispute between ZooCorp and the Construction Manager at Risk regarding retention funds within 30 days of such dispute coming to the attention of ZooCorp.
2. The construction contract shall require that any settlement agreement between the Construction Manager at Risk and ZooCorp involving retention funds be made public.
3. Any previously released retention funds that are recouped by ZooCorp as part of a settlement with the Construction Manager at Risk shall be returned by ZooCorp to the Measure Z Capital Fund.

Authority Consent to Distribution of Escrow Funds

Upon receipt of the required written certification from ZooCorp that the project is final and complete in accordance with the construction contract, the Authority will not unreasonably withhold its consent to the release of the funds held in escrow. If it withholds consent, the Authority will set forth in writing its objections, stating those items that are not final and complete according to the construction contract.

Appendix III

Measure Z Capital Projects Policy

Adopted June 24, 2009

Purpose

The purpose of this policy is to define the criteria of capital projects that qualify for reimbursement of Measure Z Capital Project Funds. In addition to meeting the requirements of this policy, the project and related budget must have been previously approved by the Zoo Authority Board (as required by Ordinance 2004-1) either through the Master Plan or Annual Capital Projects Plan and an adopted capital projects budget.

Measure Z-funded capital improvement projects must meet one of the conditions 1-3.

1. The construction or purchase of a Fresno Chaffee Zoo fixed asset (building, facility, structure, or exhibit), that has a useful operational life of 5 years or longer, and a cost of \$30,000 or more. Capital outlay expenditures required for the intended use of the construction or purchase of the asset may be included at the discretion of the Zoo Authority Board.

OR

2. A major renovation, expansion, or replacement of a current Fresno Chaffee Zoo fixed asset (building, facility, structure, or exhibit) that extends the useful operational life of the asset by 5 years or more, or expands the capacity of an existing asset, and has a cost of \$30,000 or more. Capital outlay expenditures required for the intended use of the renovation, expansion, or replacement of the asset may be included at the discretion of the Zoo Authority Board.

OR

3. Cost required for the acquisition and safe transport of animals that would have a useful life to the Fresno Chaffee Zoo of at least 5 years, including transportation, travel, and health expenses during such transportation and travel.

Appendix IV

Employee Hours Template For Invoices For Measure Z Funds

Reserved for business name, addresss, logo, etc.

Prepared for Invoice # _____

Page ____ of ____

Billing Period _____

Date _____

Project Name				
Per agreement, is Retention applicable to this project? Yes _____ No _____				
Employee Name or Title	Duties/Tasks Accomplished this Period	Hours Worked	Pay Rate	Subtotal
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
Project Total				\$

Project Name				
Per agreement, is Retention applicable to this project? Yes _____ No _____				
Employee Name or Title	Duties/Tasks Accomplished this Period	Hours Worked	Pay Rate	Subtotal
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
Project Total				\$

Project Name				
Per agreement, is Retention applicable to this project? Yes _____ No _____				
Employee Name or Title	Duties/Tasks Accomplished this Period	Hours Worked	Pay Rate	Subtotal
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
Project Total				\$

Appendix ~~IV~~V

Referenced Documents

These documents can be viewed on the Authority's website: <http://www.zooauthority.org/Documents.asp>

<u>Document</u>	<u>Title</u>	<u>Referenced on Page</u>
A	Agreement Regarding Procedures for the Distribution of Tax Revenue to the Fresno Chaffee Zoo (December 21, 2005)	1
B	Agreement Between Fresno County Zoo Authority and County of Fresno for Professional and Technical Services (#05-237, June 14, 2005)	1, 4
C	Fresno County Zoo Authority Bylaws (Amended December 9, 2015)	3
D	Agreement Regarding Escrow Agreements for Security Deposits in Lieu of Retention (October 10, 2014)	15, 18

2019 Zoo Authority Adopted Meeting Calendar

January							February							March						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5						1	2						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28			24	25	26	27	28	29	30
														31						
April							May							June						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6				1	2	3	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						
July							August							September						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3	1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					
October							November							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5						1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				
Holidays and Observances																				
Jan 1	New Year's Day						April 21	Easter Sunday						Nov 11	Veterans Day					
Jan 21	Martin Luther King Day						May 27	Memorial Day						Nov 28	Thanksgiving Day					
Feb 18	Presidents' Day						July 4	Independence Day						Nov 29	County Holiday					
April 1	Cesar Chavez Day, observed						Sept 2	Labor Day						Dec 25	Christmas Day					