



Measuring...

Our
Success!

CELEBRATING

10 YEARS

of HARD WORK,
COOPERATION,
and GREAT EFFORT on BEHALF
of FRESNO CHAFFEE ZOO

2014-2015 ANNUAL REPORT



2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

BIG
*Thanks
to you!*



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2015 Fresno County Zoo Authority Board and Staff

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THANK YOU TO *all who dreamed* WE COULD BUILD
a spectacular zoo FOR FRESNO COUNTY AND
SUPPORTED MEASURE Z *again in 2014!*

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1

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015



Peter Herzog
Chairman

Paul A. Toste, DVM
Vice Chairman

Gerald V. Lyles
Board Member

Michelle Roman
Board Member

Kent L. Stratford
Board Member

Ashley Swearingin
Board Member

Ralph Waterhouse
Board Member

Oliver Baines
Board Member

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Web: www.zooauthority.org

News from The Zoo Authority

December 9, 2015

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 2014-15. The Report covers a very busy period in the history of Measure Z, both for the Authority and Fresno Chaffee Zoo.

We began our tenth year preparing for the Measure's extension and with construction well under way on the African Adventure exhibit, a project funded entirely from the first ten years of Measure Z. On November 4, 2014, over 72 percent of Fresno County voters approved the tax for another ten years; a figure similar to 2004, and another affirmation of the positive results of Measure Z to date. The successful extension of Measure Z will continue to enhance Fresno Chaffee Zoo and keep Fresno County as a tourist destination not to be missed.

African Adventure, a world class exhibit, is now open to County taxpayers and all visitors allowing them to enjoy a window into life on the African savannah. With the opening of this exhibit we have kept the 2004 ballot promise of bringing the largest of African animals back to our Zoo.

At the height of construction activity on the 22-month project, approximately 140 people were on site each day working for more than 40 sub-contractors, 75% of whom were from Fresno County and the Central Valley. The prevailing wages paid to skilled workers from the region also had a significant benefit to the local economy, and from a long term perspective the Zoo staff has grown by 30 full-time employees.



We appreciate the faithful support of Fresno County Voters!

News from The Zoo Authority

Looking back, from April 2005 through June 30, 2015, Measure Z tax proceeds totaled \$112,066,394, from which the Authority has reimbursed Fresno Chaffee Zoo \$31,496,688 for maintenance and operations, and \$59,549,909 for capital projects.

During this fiscal year ending June 30, 2015, Measure Z proceeds (.01% sales tax) totaled \$12,669,732, with the Authority reimbursing Fresno Chaffee Zoo \$3,713,649 for maintenance and operations, plus \$35,280,551 for capital projects, primarily for the construction of the African Adventure exhibit.

Additionally, two percent of Measure Z proceeds are available for the Authority's administrative expenses, but on average, just over one percent is used, primarily for professional and specialized services provided by Fresno County staff, including managerial, clerical, accounting, legal services, as well the cost associated with the independent annual audit, a copy of which is included in this report.



Peter Herzog, Chairman



ACKNOWLEDGEMENTS

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

LAWRENCE SEYMOUR | Division Chief, Financial Reporting and Audits

CHRISTOPHER PETERSON | Accountant I

COUNTY CLERK/REGISTRAR OF VOTERS

BRANDI ORTH | County Clerk/Registrar of Voters

ROBERT BERGSTROM | Voter Services Program Coordinator

COUNTY COUNSEL

ANDREW ESCAMILLA | Accountant II

JOAN CUADROS | Executive Assistant

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

ELIZABETH AVALOS | Administrative Secretary

PAT SRISUKWATANA | Systems Procedures Analyst III

KIM ZEPEDA | Systems Procedures Analyst I

INTERNAL SERVICES DEPARTMENT, GRAPHIC COMMUNICATION SERVICES

GINA BARR | Graphic Arts Technician II

INTERNAL SERVICES DEPARTMENT, INFORMATION TECHNOLOGY DIVISION

CRAIG SENSANO | Senior Information Technology Analyst

RAMIRO PUENTES | Information Technology Analyst

PUBLIC WORKS AND PLANNING

CAROL PRATT | Principal Accountant

KAYING VANG | Supervising Accountant

JAQUELINE JUAREZ | Program Technician II

KEVIN OLIVAS | Office Assistant III



Annual Report Designed by:
GINA BARR | Graphic Arts Technician II
The County of Fresno, Internal Services
Graphic Communication Services Division



BOARD & STAFF

Zoo Authority Board 2015

*Served through Fiscal Year 2014-15



BOARD MEMBER

POSITION

ORIGINAL APPOINTMENT

PETER HERZOG

Nominated by: Deborah Poochigian, District 5 Supervisor

Chairman

Term Expiration: 1/7/2017

9/10/2013

GERALD V. LYLES

Nominated by: Andreas Borgeas, District 2 Supervisor

Vice Chairman

Term Expiration: 1/7/2017

3/8/2005

PAUL A. TOSTE, DVM

Nominated by: Brian Pacheco, District 1 Supervisor

Board Member

Term Expiration: 1/2/2019

2/8/2005

KENT L. STRATFORD

Nominated by: Henry Perea, District 3 Supervisor

Board Member

Term Expiration: 1/7/2017

2/8/2005

JOHN W. GRAY, DVM

Nominated by: Judith Case McNairy, District 4 Supervisor

Board Member

Term Expiration: 1/2/2015*

2/8/2005

MICHELLE ROMAN

Nominated by: Buddy Mendes, District 4 Supervisor

Board Member

Term Expiration: 1/7/2019

7/14/2015

RALPH WATERHOUSE

Nominated by: 2006 Board of Supervisors Chairman Phil Larson

Board Member

Term Expiration: 1/2/2015*

1/10/2006

ASHLEY SWEARENGIN

Ex Officio - Mayor of Fresno

Board Member

Upon oath of office
1/6/2009

OLIVER BAINES

Mayor's Appointment, Councilmember, District 3

Mayor's Alternate

1/28/2011

Zoo Authority Staff - Fiscal Year 2014-15

STAFF MEMBER

ZOO AUTHORITY TITLE

COUNTY DEPARTMENT

COUNTY TITLE

JOHN NAVARRETTE

Administrator

County Administrative Office

County Administrative Officer

CATHERINE CROSBY

Coordinator

Public Works & Planning

Staff Analyst III

ART WILLE

Through October 2014

Counsel

County Counsel

Senior Deputy County Counsel

JANE T. SMITH

From January 2015

Counsel

County Counsel

Deputy County Counsel

JEFFREY BLANKS

Through December 2014

Treasurer

Auditor-Controller
Treasurer-Tax Collector

Supervising Accountant

AARON RATTO

From January 2015

Treasurer

Auditor-Controller
Treasurer-Tax Collector

Senior Accountant

ERIC BORGES

Through February 2015

Accountant

Auditor-Controller
Treasurer-Tax Collector

Accountant II

STALIN HERNANDEZ

From March 2015

Accountant

Auditor-Controller
Treasurer-Tax Collector

Accountant I





2003

Thanksgiving-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.

2005

Board of Supervisors adopts Authority's Bylaws and a Conflict of Interest Code, appoints six citizens to Authority Board; Mayor of Fresno serves ex-officio member.

New Board approves its procedures for the administration of Measure Z Funds and contract with newly formed Fresno Chaffee Zoo Corporation (ZooCorp).

2006

ZooCorp takes over operation of the Zoo from the City of Fresno. City continues \$1.2m support to Zoo, beginning a schedule of payments reducing this support in 20% increments, over the next five years.

2007

Maintenance work, including painting, pathways, lighting, signage; Renovations, including Rain Forest, Maddis House, chimpanzee, anteater, swan, bird of prey, and hoof stock.

2008

Master planning and pre design engineering in progress.

2009

Preparation of Environmental Impact Report and tree survey.

2010

Stingray Bay becomes a permanent exhibit.

Dino Dig opens.

2011

Fresno Planning Commission certifies Roeding Park Master Plan Environmental Impact Report.

September ground-breaking for Sea Lion Cove.

2012

900 jobs were created using local contractors for Sea Lion Cove.

Purchase of portable digital X-Ray machine.

August-Sea Lion Cove opens; September attendance increased 93% above September 2011.

2013

River Otters move into renovated former home of Sea Lions.

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

November-X-ray confirms rare Malayan tiger is pregnant.

2013 attendance of 691,320 is almost twice that of 2004, 18% higher than 2012, breaking the record by 110,000.

10 YEARS

2014

January-Four healthy Malayan tiger cubs born.

Ground breaking for African Adventure; at peak construction, 140 daily workers on-site. 75% of construction firms are local.

Tiger Cubs made their debut in March and Zoo visitors exceed 100,000 for April.

The Measure Z extension campaign includes updated Nouse yard signs and billboards featuring Tiger cubs.

Measure Z campaign effort results in 72% yes votes for another 10 years.

Design funding approved for Malayan Tiger exhibit expansion.

Annual admissions surpass 700,000; an increase of 70% over 5 years.

2015

Funding approved to complete utilities upgrades.

30 New full-time employees hired in 2015.

\$12,669,732 tax received in Fiscal Year 2014-2015.

June 30, 2015 \$25,620,567 in Measure Z funds was available to Fresno Chaffee Zoo for future projects, and maintenance and operations.

\$112,066,394 Total Measure Z taxes since April 2005.

2014-2015 ANNUAL REPORT



We have grown by leaps and bounds in the last 10 years!

UNAUDITED EXHIBITS

For the Treasurer

A, B, C, D and E



EXHIBIT A

Fresno County Zoo Authority Cash Balance

EXHIBIT B

Cash Disbursement by Category to Fresno's Chaffee Zoo Corporation during Fiscal Year 2014-15

EXHIBIT C

Cash Disbursements by Fund to Fresno's Chaffee Zoo Corporation during Fiscal Year 2014-15

EXHIBIT D

Fresno County Zoo Authority Measure Z Sales Tax Proceeds Budget (Cash Basis) for Fiscal Year Ended June 30, 2015

EXHIBIT E

Fresno County Zoo Authority Measure Z Sales Tax Proceeds (Cash Basis) by Fiscal Year From Inception to June 30, 2015



Fresno County Zoo Authority Cash Balance

AS OF JUNE 30, 2015

EXHIBIT A

Cash Available for Administration (2%) Fresno County Zoo Authority		\$ 1,107,824
Cash Available for Zoological Activities (98%) Operations	5,917,250	
Capital Projects	19,703,317	
Total Cash Available for Zoological Activities		25,620,567
Total Cash Balance as of June 30, 2015		<u>\$ 27,728,391</u>

Cash Disbursements By Category To FCZC During Fiscal Year 2014-15

FOR OPERATIONS

EXHIBIT B

Salaries & Benefits	\$ 3,713,419
Bank Charges	230
Total Operations Disbursed to FCZC During Fiscal Year 2014-15	<u>3,713,649</u>

FOR CAPITAL PROJECTS

Project Capital Improvements*	\$ 35,280,551
Bank Charges	—
Total Capital Projects Disbursed to FCZC During Fiscal Year 2014-15	35,280,551
Total FCZC Disbursements	<u>\$ 38,994,200</u>

* Includes utility upgrade projects, Malaysian Tiger exhibit design, and African Adventure construction.

Fiscal Year Cash Disbursements by Fund to FCZC

FROM INCEPTION TO JUNE 30, 2015

EXHIBIT C

	FY-2006	FY-2007	FY-2008	FY-2009	FY-2010	FY-2011	FY-2012	FY-2013	FY-2014	FY-2015
Operations	\$ 1,538,300	\$ 2,805,819	\$ 4,082,456	\$ 3,603,994	\$ 3,095,657	\$ 2,613,501	\$ 2,842,057	\$ 3,704,007	\$ 3,497,218	\$ 3,713,649
Capital Projects	\$ —	\$ 140,070	\$ 239,631	\$ 565,268	\$ 722,760	\$ 667,245	\$ 7,399,437	\$ 5,968,465	\$ 8,566,482	\$ 35,280,551
Total Disbursements	<u>\$ 1,538,300</u>	<u>\$ 2,945,889</u>	<u>\$ 4,322,087</u>	<u>\$ 4,169,262</u>	<u>\$ 3,818,417</u>	<u>\$ 3,280,746</u>	<u>\$ 10,241,494</u>	<u>\$ 9,672,472</u>	<u>\$ 12,063,700</u>	<u>\$ 38,994,200</u>

*Note: No disbursements were made prior to FY-2006.

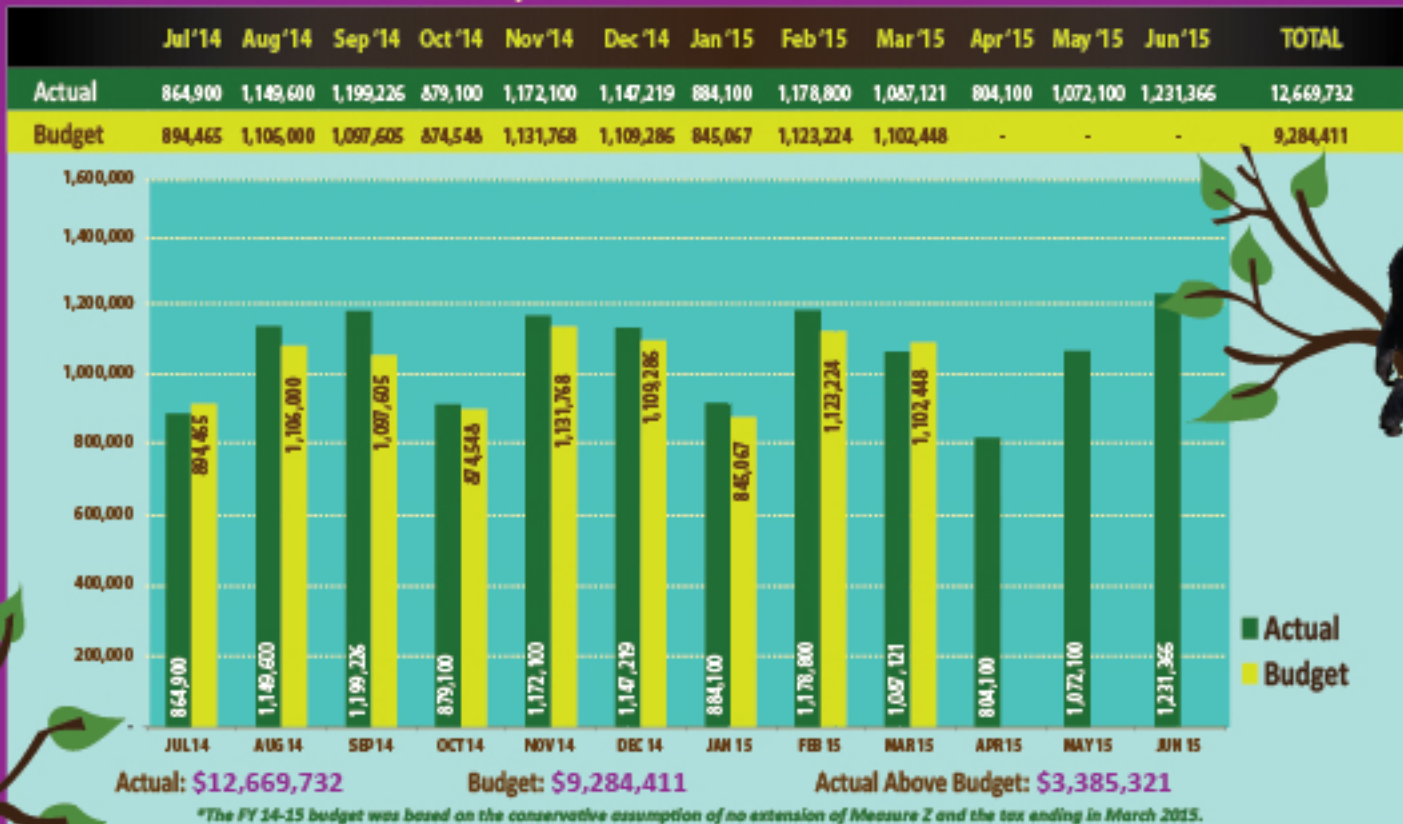
TOTAL

Operations	\$ 31,496,688
Capital Projects	\$ 59,549,909
	<u>\$ 91,046,597</u>



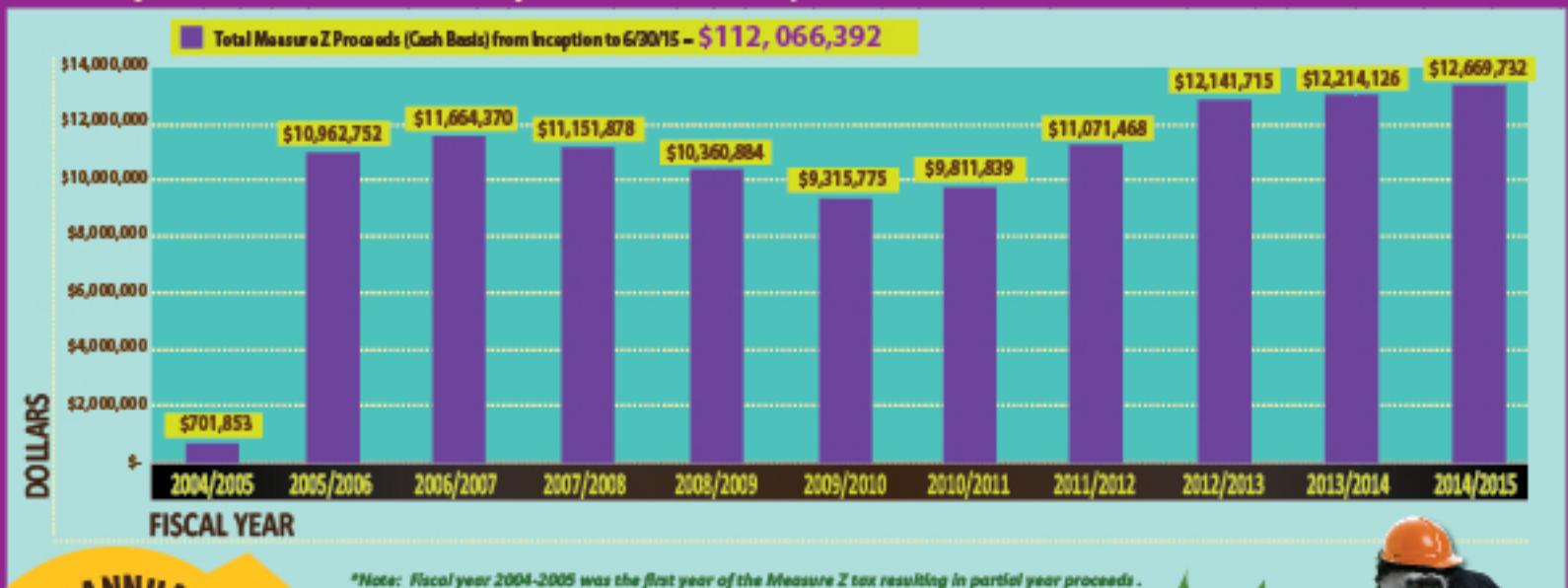
Fresno County Zoo Authority Measure Z Sales Tax Proceeds Budget (Cash Basis) For Fiscal Year Ended June 30, 2015

EXHIBIT D



Fresno County Zoo Authority Measure Z Sales Tax Proceeds (Cash Basis) By Fiscal Year From Inception To June 30, 2015

EXHIBIT E



INTRODUCTION TO

Audited Financial Statements

AUDITED FINANCIAL STATEMENTS

The Zoo Authority's financial statements for fiscal year ended June 30, 2015 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 statement can be found on pages 15-20.

Financial information for administration by the Zoo Authority is presented in pages 8-11. Financial information in relation to the operations and capital projects trust funds (funds for zoological purposes) is presented in pages 12-13.

As further discussed on page 17 of the financial statements, the Authority adopted an operating budget for fiscal year ended June 30, 2015. The variation between estimated and actual revenue and expenditures is presented in the Budgetary Comparison Schedule on page 23.

DISBURSEMENTS TO FRESNO'S CHAFFEE ZOO CORPORATION

During fiscal year 2015, a total of \$39,512,099 was disbursed to the Fresno's Chaffee Zoo Corporation; \$3,713,650 for operations and \$35,798,449 for capital projects. The Statement of Fiduciary Net Assets on page 12 presents cash balances available for operations and capital projects to be used for Zoological purposes as of June 30, 2015. This statement also presents funds held in trust for operations and capital projects based on the accrual basis of accounting.





BIG THANKS!

To all Board Members and Staff who served in the past



BOARD MEMBERS

- ALAN AUTRY
- PAUL B. CLARK
- MANUEL CUNHA, JR.
- JERRY DUNCAN
- RON GENTZLER, DVM
- BRINA HARWOOD
- LARRY WESTERLUND

ADMINISTRATION

- BART BOHN
- JOHN WEISER

COUNSEL

- BARBARA GRUNWALD
- JANELLE KELLEY
- ZACHARY REDMOND
- ARTHUR WILLE

TREASURER

- ROBERT DELAY
- JENNIFER HOEY
- MAVET MORA
- AARON RATTO

ACCOUNTING

- CAMILLA CANNON
- JAMIE FLAHERTY
- GEORGE GOMEZ
- MAVET MORA
- CHRISTOPHER PETERSON
- MARC YOUNG

CLERICAL

- CHRISTINA CHAPARRO
- NADIA LOPEZ
- GAEL STORM

IT STAFF

- DANIEL MOORE

LEGENDARY TRACKS

Baboon	Elephant	Meercat
Bear	Giraffe	Otter
Bird	Fox	Warthog
Bobcat	Hippopotamus	Wildebeest
Cheetah	Kangaroo	Wolf
Deer	Lion	Zebra

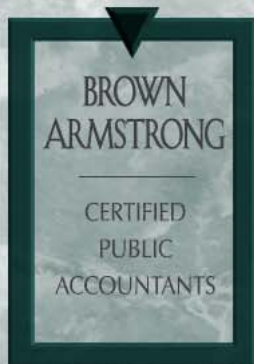


**FRESNO COUNTY ZOO AUTHORITY
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended June 30, 2015

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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, 2015, 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 entity'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 entity'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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PASADENA OFFICE

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SUITE 310
PASADENA, CA 91101
TEL 626.204.6542
FAX 626.204.6547

STOCKTON OFFICE

5250 CLAREMONT AVENUE
SUITE 237
STOCKTON, CA 95207
TEL 209.451.4833

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, 2015, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, 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 20, 2015

FRESNO COUNTY ZOO AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2015

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, 2015. 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 2014-2015 fiscal year by \$1,139,575. This amount is considered restricted net position.
- Liabilities of the Authority totaled \$20,134 at June 30, 2015. 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 \$69,791 from fiscal year 2013-2014 to 2014-2015.

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 8-9 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

FRESNO COUNTY ZOO AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2015

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

Statement of Net Position (condensed)

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Assets:		
Current assets	\$ 1,159,709	\$ 1,118,284
Total assets	<u>\$ 1,159,709</u>	<u>\$ 1,118,284</u>
Liabilities:		
Current liabilities	\$ 20,134	\$ 48,500
Total liabilities	<u>\$ 20,134</u>	<u>\$ 48,500</u>
Net positions:		
Restricted	\$ 1,139,575	\$ 1,069,784
Total net position	<u>\$ 1,139,575</u>	<u>\$ 1,069,784</u>

Statement of Activities (condensed)

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Revenues:		
General revenues	\$ 272,141	\$ 257,258
Total revenues	<u>\$ 272,141</u>	<u>\$ 257,258</u>
Expenses:		
Governmental activities	\$ 202,350	\$ 153,080
Total expenses	<u>\$ 202,350</u>	<u>\$ 153,080</u>
Net position beginning	\$ 1,069,784	\$ 965,606
Change in net position	69,791	104,178
Net position ending	<u>\$ 1,139,575</u>	<u>\$ 1,069,784</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.

FRESNO COUNTY ZOO AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2015

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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances 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 funds financial statements can be found on pages 10-11 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 12-13 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 15-20 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 exceeded liabilities by \$1,139,575 at the close of fiscal year 2014-2015. The Authority has no investments in capital assets.

Governmental activities: Governmental activities increased the Authority's net position by \$69,791 from fiscal year 2013-2014 to 2014-2015. The key element of this increase relates to sales tax revenue exceeding total expenditures by \$56,844.

FINANCIAL ANALYSIS OF THE AUTHORITY FUNDS

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

FRESNO COUNTY ZOO AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2015

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, 2015, the Authority's governmental fund reported a fund balance of \$1,139,575, an increase of \$69,791 in comparison with the balance of \$1,069,784 reported at June 30, 2014.

Revenues for the governmental fund totaled \$272,141 in fiscal year 2014-2015. Revenue was primarily comprised from Measure Z sales tax (94%). The remaining 6% was interest.

Expenditures for governmental funds totaled \$202,350 in fiscal year 2014-2015.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2014-2015 fiscal years, actual revenues were above those estimated in the final budget by \$73,953. Actual expenditures were below budgeted amounts by \$56,032. This difference in expenditures is primarily due to no expenses being incurred in many of the budgeted line items such as data processing, transportation and travel, publications, memberships, and less than anticipated expenditures for professional and specialized services.

REQUEST FOR INFORMATION

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

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BASIC FINANCIAL STATEMENTS

FRESNO COUNTY ZOO AUTHORITY
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities
ASSETS	
Cash and investments	\$ 1,107,827
Interest receivable	3,331
Due from other governments	48,551
Total assets	<u>1,159,709</u>
LIABILITIES	
Accrued liabilities	20,134
Total liabilities	<u>20,134</u>
NET POSITION	
Restricted	1,139,575
Total net position	<u><u>\$ 1,139,575</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, 2015

Functions/Programs	<u>Expenses</u>	<u>Program Revenues - Charges for Services</u>	<u>Net Expenses and Changes in Net Position of Governmental Activities</u>
Governmental activities-			
General government	202,350	\$ -	\$ (202,350)
Total	<u>\$ 202,350</u>	<u>\$ -</u>	<u>\$ (202,350)</u>

General revenues:

Sales tax	256,756
Interest	<u>15,385</u>

Total general revenues	<u>272,141</u>
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Change in net position	<u>69,791</u>
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Net position - beginning	<u>\$ 1,069,784</u>
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Net position - ending	<u><u>\$ 1,139,575</u></u>
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The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2015**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>General Fund</u>
Cash and investments	\$ 1,107,827
Interest receivable	3,331
Due from other governments	48,551
Total assets	<u>\$ 1,159,709</u>
Deferred outflows of resources	-
Total assets & deferred outflows of resources	<u>\$ 1,159,709</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities:	
Accrued liabilities	<u>20,134</u>
Total liabilities	<u>\$ 20,134</u>
Deferred inflows of resources	-
Fund balance:	
Restricted	<u>1,139,575</u>
Total fund balance	<u>1,139,575</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,159,709</u>

Reconciliation of the Balance Sheet to the Statement of Net Position

Total fund balance - governmental fund	\$ 1,139,575
Differences	<u>-</u>
Net position - governmental activities	<u>\$ 1,139,575</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, 2015

REVENUES	<u>General Fund</u>
Measure Z sales tax	\$ 256,756
Interest	<u>15,385</u>
Total revenues	<u>\$ 272,141</u>
EXPENDITURES	
Current:	
Office Expense	3,897
Postage	148
PeopleSoft Charges	640
Professional and specialized services	<u>197,665</u>
Total expenditures	<u>202,350</u>
Excess of revenues over expenditures	<u>69,791</u>
Net change in fund balance	69,791
FUND BALANCE	
Fund balance - beginning	<u>1,069,784</u>
Fund balance - ending	<u><u>\$ 1,139,575</u></u>

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

Net change in fund balance - governmental fund	\$ 69,791
Differences	<u>-</u>
Change in net position - governmental activities	<u><u>\$ 69,791</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, 2015

	<u>Operations</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 5,917,250	\$ 19,703,317	\$ 25,620,567
Due from other governments	793,036	1,586,073	2,379,109
Interest receivable	<u>17,637</u>	<u>66,863</u>	<u>84,500</u>
Total assets	<u><u>\$ 6,727,923</u></u>	<u><u>\$ 21,356,253</u></u>	<u><u>\$ 28,084,176</u></u>
LIABILITIES			
Due to other funds	<u>-</u>	<u>517,898</u>	<u>517,898</u>
Total liabilities	<u>-</u>	<u>517,898</u>	<u>517,898</u>
NET POSITION			
Held in trust for operations	6,727,923	-	6,727,923
Held in trust for capital projects	<u>-</u>	<u>20,838,355</u>	<u>20,838,355</u>
Total net position	<u><u>\$ 6,727,923</u></u>	<u><u>\$ 20,838,355</u></u>	<u><u>\$ 27,566,278</u></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, 2015

	<u>Operations</u>	<u>Capital Projects</u>	<u>Total</u>
ADDITIONS			
Measure Z Sales tax	\$ 4,193,712	\$ 8,387,424	\$ 12,581,136
Interest	<u>80,432</u>	<u>460,758</u>	<u>541,190</u>
Total additions	<u>4,274,144</u>	<u>8,848,182</u>	<u>13,122,326</u>
DEDUCTIONS			
Disbursements to non-profit	<u>3,713,650</u>	<u>35,798,449</u>	<u>39,512,099</u>
Total deductions	<u>3,713,650</u>	<u>35,798,449</u>	<u>39,512,099</u>
Change in net position	560,494	(26,950,267)	(26,389,773)
Net position held in trust - beginning	<u>6,167,429</u>	<u>47,788,622</u>	<u>53,956,051</u>
Net position held in trust - ending	<u><u>\$ 6,727,923</u></u>	<u><u>\$ 20,838,355</u></u>	<u><u>\$ 27,566,278</u></u>

The accompanying notes are an integral part of this statement.

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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 and expired on April 30, 2015.

On June 17, 2014, the County of Fresno's Board of Supervisors voted to adopt a resolution that will include a renewal of Measure Z on the November 4, 2014 Fresno County General Election Ballot. The measure was approved by the voters on November 4th, which continued the sales tax measure for an additional ten years.

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

B. Basis of Presentation

Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

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, 2015, 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, 2015, 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 accrual 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.

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.

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

A reconciliation of the total fund balance for 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, 2015.

A reconciliation of the total net change in fund balance for governmental funds 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, 2015.

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 it can engage in.

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 County Zoo Corporation's (FCZC) operating and capital projects budgets for calendar year 2014 and 2015 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, 2015, disbursements totaling \$39,512,099 were made to FCZC; \$3,713,650 for operations, and \$35,798,449 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, 2015, was as follows:

Held in Trust for:	
Operations	\$6,727,923
Capital Projects	\$20,838,355
Total	\$27,566,278

NOTE 5 – LIABILITIES

Liabilities of the Authority totaled \$20,134 at June 30, 2015. This amount primarily consisted of expenses related to professional and specialized services provided by the County of Fresno.

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 or by an official or body to which the Authority delegates the authority. This is also the classification for residual funds in the Authority's special revenue fund.
- **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 \$1,139,575 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.

Note 7 – RECENTLY RELEASED STANDARDS BY GASB

During the fiscal year ending June 30, 2015, the Authority implemented the following standards:

GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The provisions of GASB Statement No. 68 are effective for financial statements beginning after June 15, 2014. The Authority has implemented the provisions of GASB Statement No. 68 in the current year.

GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations*. The provisions of GASB Statement No. 69 are effective for financial statements beginning after December 15, 2013. There was no effect on the Authority's accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The provisions of this statement

will be applied simultaneously with the provisions of Statement 68. There was no effect on the Authority's accounting or financial reporting as a result of implementing this standard.

Recently released GASB standards affecting future years are as follows:

GASB Statement No. 72 – *Fair Value Measurement and Application*. The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015. The Authority has not fully judged the effect of the implementation of GASB Statement No. 72 as of the date of the basic financial statements.

GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*. The provisions of this statement are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. The Authority has not fully judged the effect of the implementation of GASB Statement No. 73 as of the date of the basic financial statements.

GASB Statement No. 74 – *Financial Reporting for Postemployment Benefits Other than Pension Plans*. The provisions of GASB Statement No. 74 are effective for financial statements beginning after June 15, 2016. The Authority has not fully judged the effect of the implementation of GASB Statement No. 74 as of the date of the basic financial statements.

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 not fully judged the effect of the implementation of GASB Statement No. 75 as of the date of the basic financial statements.

GASB Statement No. 76 – *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of GASB Statement No. 76 are effective for financial statements beginning after June 15, 2015. The Authority has not fully judged the effect of the implementation of GASB Statement No. 76 as of the date of the basic financial statements.

GASB Statement No. 77 – *Tax Abatement Disclosures*. The provisions of GASB Statement No. 77 are effective for financial statements beginning after December 15, 2015. The Authority has not fully judged the effect of the implementation of GASB Statement No. 77 as of the date of the basic financial statements.

NOTE 8 – SUBSEQUENT EVENTS

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the basic financial statements. Events were considered through November 20, 2015, which is the date of issuance of the Authority's independent audit report. The Authority identified no subsequent events that required disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION

FRESNO COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources:				
Sales tax	\$ 185,688	\$ 185,688	\$ 256,756	\$ 71,068
Interest	12,500	12,500	15,385	2,885
Total resources	<u>198,188</u>	<u>198,188</u>	<u>272,141</u>	<u>73,953</u>
Charges to appropriations:				
Current:				
Office expenses	6,000	6,000	3,897	2,103
Professional and specialized services	212,242	239,632	197,665	41,967
Postage	1,500	1,500	148	1,352
Data processing services	3,000	3,000	-	3,000
Memberships	1,000	1,000	-	1,000
Trans, travel, and education	5,000	5,000	-	5,000
Publications and legal notices	1,000	1,000	-	1,000
Telephone	500	500	-	500
PeopleSoft Financials Charges	750	750	640	110
Contingencies	-	-	-	-
Total charges to appropriations	<u>230,992</u>	<u>258,382</u>	<u>202,350</u>	<u>56,032</u>
Change in net position	<u>\$ (32,804)</u>	<u>\$ (60,194)</u>	<u>\$ 69,791</u>	<u>\$ 129,985</u>
NET POSITION				
Net position - beginning			<u>1,069,784</u>	
Net position - ending			<u>\$ 1,139,575</u>	

See note to budgetary comparison schedule.

**FRESNO COUNTY ZOO AUTHORITY
NOTE TO BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2015**

Budgets and Budgetary Data

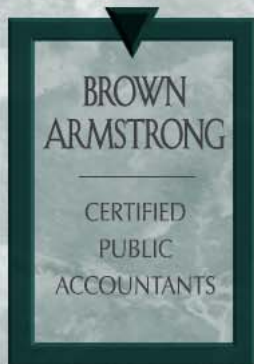
The Authority adopts a legal annual operating budget for its general fund. All budget transfers and expenditures are approved by the Zoo Authority Board or by the Authority Administrator prior to disbursement. The legal level of budgetary control is at the object level. The final budget revenue and expenditure amounts represent the original budget modified by any amendments and adjustments that have occurred during the year. Unencumbered appropriations lapse at year-end.

A budgetary comparison schedule for the general fund is presented on Page 23. Its purpose is to demonstrate compliance with the approved budget for fiscal year 2014-2015. Actual expenditures appearing on the schedule are presented using the accrual method of accounting.

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OTHER AUDITOR'S REPORT

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BROWN ARMSTRONG

Certified Public Accountants

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

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

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of Fresno County Zoo Authority (the Authority), as of and for the year ended June 30, 2015, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 20, 2015.

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 20, 2015



CELEBRATING

10 YEARS



Photo by: Catherine Crosby

GRAND OPENING – AFRICAN ADVENTURE

OCTOBER 15, 2015



Miss Angel Arellano, Congressman Jim Costa and Fresno Chaffee Zoo Director Scott Barton cut the ribbon to open African Adventure, as members of the Zoo Corporation and staff, Zoo Authority, City Council, Board of Supervisors, Chamber of Commerce, and the community look on.



Measuring a *dream* come true!