

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM
DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
ST. LOUIS, MISSOURI**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2017

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND
MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION	15
STATEMENT OF CASH FLOWS	17
NOTES TO FINANCIAL STATEMENTS	19
REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED	
SCHEDULE OF THE ZOO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS	44
SUPPLEMENTARY INFORMATION – AUDITED	
SCHEDULE OF OTHER OPERATING REVENUES AND EXPENDITURES	45
ADDITIONAL SUPPLEMENTARY INFORMATION – UNAUDITED	
COMBINING AND COMBINED STATEMENT OF NET POSITION (UNAUDITED)	46
COMBINING AND COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION (UNAUDITED)	50
COMBINING AND COMBINED STATEMENT OF CASH FLOWS (UNAUDITED)	54
SCHEDULE OF COMBINING AND COMBINED OTHER OPERATING REVENUES AND EXPENDITURES (UNAUDITED)	58
COMBINED 2017 ACTUAL VS. 2017 BUDGET COMPARISON (UNAUDITED)	60
NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET COMPARISON (UNAUDITED)	62
COMBINING AND COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION – CASH FLOW FORMAT (UNAUDITED)	70
ZOO DEPARTMENTAL PROFIT/LOSS BUDGET REPORT (UNAUDITED)	72
SCHEDULE OF CAPITAL EXPENDITURES (UNAUDITED)	74

INDEPENDENT AUDITORS' REPORT

Commission of the Zoological Subdistrict of the
Metropolitan Zoological Park and Museum District
St. Louis, Missouri

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Saint Louis Zoological Subdistrict, a component unit of the Metropolitan Zoological Park and Museum District, and its discretely presented component unit, the Saint Louis Zoo Association, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the entity'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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Saint Louis Zoological Subdistrict, a component unit of the Metropolitan Zoological Park and Museum District, and its discretely presented component unit, the Saint Louis Zoo Association, as of December 31, 2017, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the Schedule of the Zoo's Proportionate Share of the Net Pension Liability and the Schedule of Contributions on page 44, 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

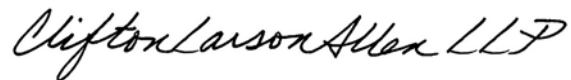
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saint Louis Zoological Subdistrict and its discretely presented component unit, the Saint Louis Zoo Association's basic financial statements. The Schedule of Other Operating Revenues and Expenditures on page 45 listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saint Louis Zoological Subdistrict and its discretely presented component unit, the Saint Louis Zoo Association's basic financial statements. The additional supplementary information on pages 46 through 75 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

Commission of the Zoological Subdistrict of the
Metropolitan Zoological Park and Museum District

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saint Louis Zoological Subdistrict and its discretely presented component unit, the Saint Louis Zoo Association. The unaudited comparative totals accompanying the basic financial statements on pages 13 through 18 and 45 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 and do not provide any assurance on it.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

St. Louis, Missouri
March 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

The management's discussion and analysis (MD&A) of the Saint Louis Zoological Subdistrict's (Zoo) financial performance provides a comprehensive overview of the Zoo's financial activities and the operational results for the year ended December 31, 2017. The Zoo's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) statement No. 34, as amended. This standard added transparency by requiring new information and restructuring much of the information that government had presented in the past. Our goal is to enhance the readers' understanding of the Zoo's financial statements by emphasizing current year results, compared to prior-year information.

Consistent with recent GASB guidance, beginning with the 2012 reporting period, the Saint Louis Zoo Association (Association) is being reported as a discretely presented component unit of the Saint Louis Zoological Subdistrict (Zoo).

This report complies with the requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended. This standard requires that we calculate and record the liability of contributing entities, based on actuarial valuations, to determine the net pension liability and expense. Annual entries are required to account for any underfunding of the pension liability.

As referenced in Note 1 to the financial statements, the Association has implemented Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Services Received from Personnel of an Affiliate. The result of this ASC is to allocate the costs of services provided by Zoo staff to the Association. Determined by surveying relevant Zoo departments, the amount of this transfer was calculated to be \$1,800,000. This transfer results in a reduction to the Zoo's salary expense line and in the contributions section. This transfer will increase salary expense, reduce other operating revenue and expense and add to contribution revenue in the contributions section on the Association's financial report. The effects are stated below.

Financial and Operational Highlights

The Zoo's key financial highlights for calendar year 2017 are as follows:

- The net position of the Zoo totaled \$114,961,637 at the close of 2017.
 - The unrestricted net position was \$2,044,688 less than the 2016 net position.
 - Invested in capital assets was \$4,041,743, or 3.4%, lower than 2016 totals.
- Property tax support (net of uncollectible tax expense) from the Zoo Museum District (ZMD) under the accrual basis method was \$22,632,098 for the year ended December 31, 2017, which is a 4.1% increase when compared to 2016. The tax rate decreased to 7.68 cents on each \$100 of assessed property valuation which is .31 cents lower than the prior year's rate.

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

- **CAPITAL SPENDING:** In 2017, capital spending additions totaled \$7,289,503 for construction-in-progress, including \$2,936,144 on strategic capital projects and \$4,353,359 on operating capital projects.
 - On September 15, 2017, the Centene Grizzly Ridge opened to the public. This was the culminating project of *The Living Promise Campaign* and replaced the 1920s-era bear habitats. The new habitat provides approximately 7,000 square feet of outdoor viewing space, which includes a waterfall, wading pool, stream, grassy areas, and rocks for bears to scratch and climb on. The glass viewing areas give visitors a better way to discover the playful 3-year-old siblings Huckleberry and Finley. The grizzlies' new home also features an off-exhibit area to enhance the bears' care and contains three bedrooms, a food preparation area, and a maternity suite. The final costs of the project include \$1,847,178 for design and \$8,578,397 for construction of the exhibit.
 - In 2016, the Zoo started updating the barriers for many of the animal enclosures to improve visitor safety. Another reason for these changes was that some structures were no longer up to code. Major updates completed in 2017 were Big Cat Country netting that surrounds some smaller displays and mesh barriers for overlook exhibits for a total cost of \$250,136. Also, there was new fencing installed in Red Rocks to better provide visitor safety for a cost of \$494,020. Design for both of these areas was \$18,497. Finally, mesh barriers also were installed at the Fragile Forest chimpanzee habitat also to ensure visitor safety. The Fragile Forest barriers were \$68,241 with design costs of \$4,012.
 - In 2017, the retail outlet in Schnuck Family Plaza became vacant, so the Zoo began the design phase of the replacement facility for that location. The new multi-purpose sales venue will house a candy store and a coffee shop, had design costs of \$190,791. The construction of the new building begins in 2018 and it also will include a large deck and a shade structure that looks out over the northern lake. Besides providing seating for the new facility, the deck will offer additional rental space and an expanded seating area for events.
 - In April 2017, the Zoo completed a facility conditions assessment. EMG was contracted to assess the condition of all buildings, systems and infrastructure. From the study, a strategic plan was devised for capital repairs, lifecycle component replacement, and building modernization over the next 20 years. Also, the study established a complete inventory of equipment and outlined the preventive maintenance routines. This study identified \$7.7 million in immediate needs to repair unsafe conditions and a total of \$101.8 million over the next 20 years for recurring expenditures that should be budgeted to repair or replace building and infrastructure systems or components as they reach the end of their useful life. The cost of this study was \$172,399.

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

- The Saint Louis Zoo Association Board authorized the Zoo to proceed with fundraising for a mini-initiative to create a new outdoor primate habitat. This new addition, named Primate Canopy Trails, will be located east of the Primate House and will require the old Sea Lion Arena to be razed. This project will focus on animal welfare and care, enhance the visitor experience, and continue to improve the Zoo's facilities and infrastructure. At year-end the Zoo has spent \$58,854 on the design for this project.

VISITOR ATTENDANCE, SATISFACTION: In 2017, the Zoo recorded attendance of 3,117,113 visitors. This number was just 82,887, or 2.6%, short of 2017 projections and 63,665, or 2%, less than last year's count. Overall, the weather in 2017 averaged .6% warmer and 11.6% drier than 2016. There were extremely hot temperatures in July, which adversely affected attendance.

- In 2017, through exit surveys, 97% of our guests rated their experiences excellent or very good, which is 1% lower than the 2016 rating. On average, guests spent \$10.03 per person, per visit, generating on-grounds revenues of \$31,260,541. This represents a 5.4% increase of \$.51 in per capita spending over the 2016 amount of \$9.52.

Required Financial Statements

The financial statements presented by the management of the Zoo include Statements of Net Position, Statements of Activities and Changes in Net Position and a Statement of Cash Flows. These statements are prepared using the full accrual basis of accounting. This method of accounting recognizes revenues at the time they are earned and expenses when the related liability occurs.

The Statement of Net Position (page 13) summarizes the financial position of the Zoo as of December 31, 2017. This statement is a snapshot of the Zoo's current and other assets, of its capital assets and long-term and other liabilities. This schedule also shows any restrictions on the entity's assets.

The Statement of Activities and Changes in Net Position (page 15) summarizes calendar year 2017 revenues and expenses. This statement indicates the success of the Zoo in maintaining expenses below the level of revenues.

The Statement of Cash Flows (page 17) accounts for the net change in cash and cash equivalents by summarizing cash receipts and cash disbursements resulting from operating activities, non-capital financing activities, capital and related financing activities and investment activities. This statement assists in determining the sources of cash coming into the Zoo, the items for which the cash was expended and the beginning and ending cash balance.

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

Financial Analysis

Saint Louis Zoo
Statement of Net Position (Primary Government Only)
As of December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>Change \$\$</u>	<u>Change %</u>
Assets				
Current and other assets	\$ 20,151,058	\$ 20,220,772	(\$69,714)	-0.3%
Capital assets(net)	114,603,964	118,645,707	(4,041,743)	-3.4%
Deferred outflow of resources	1,004,612	3,935,851	(2,931,239)	-74.5%
Total Assets and Deferred Outflows	<u>135,759,634</u>	<u>142,802,330</u>	<u>(7,042,696)</u>	<u>-4.9%</u>
Liabilities				
Current	6,485,050	4,879,535	1,605,515	32.9%
Long Term	13,994,590	16,425,695	(2,431,105)	-14.8%
Deferred inflow of resources	318,357	449,032	(130,675)	-29.1%
Total Liabilities and Deferred Inflows	<u>20,797,997</u>	<u>21,754,262</u>	<u>(956,265)</u>	<u>-4.4%</u>
Net Position				
Unrestricted	357,673	2,402,361	(2,044,688)	-85.1%
Invested in capital assets	114,603,964	118,645,707	(4,041,743)	-3.4%
Total Net Position	<u>114,961,637</u>	<u>121,048,068</u>	<u>(6,086,431)</u>	<u>-5.0%</u>
Total Liabilities & Net Position	<u>\$135,759,634</u>	<u>\$142,802,330</u>	<u>(\$7,042,696)</u>	<u>-4.9%</u>

Analysis:

- Current and other assets decreased by \$69,714 (-.3%), as compared to 2016, primarily due to a reduction of \$526,943 in Cash and Cash Equivalents and \$500,000 Due from Component Unit, offset by an increase in the Due from the ZMD line item of \$1,002,127.
- The Capital Assets (net) in the asset section and the Invested-in-capital assets in the net position section decreased by \$4,041,743 (-3.4%). In 2017, this change resulted from the addition of \$7,289,503 of construction in progress activity, less the loss on disposal of fixed assets of \$37,675 and \$11,293,571 in depreciation costs. At year-end, \$18,852,593 in completed projects were transferred from construction in progress to property and equipment accounts. *(detailed earlier in **Financial and Operational Highlights and Note 8**).*
- The Deferred outflows of resources balance (referenced in Note 9) declined by \$2,931,239, based on the change in projected and actual earnings on pension plan investments and the changes in proportion and differences between Zoo contributions and the proportionate share of contributions. The final balance for the deferred outflows was \$1,004,612 in 2017.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017**

- Total liabilities and deferred inflow of resources decreased by \$956,265 (-4.4%). This is mainly due to a reduction of the net pension liability by \$2,432,392 measured as of 09/30/17 (see GASB 68 note above). This entry represents 2017 activity. Also related to GASB 68 is the adjustment of the deferred inflow of resources of \$130,675, which accounts for contributions made and expensed during the entity's fiscal year ended December 31, 2017. Also, there was an \$826,873 decrease in accounts payable. These decreases were offset by a \$2,112,440 increase for the due to affiliates activity. Accounts payable is due to the timing of items being paid, and accrued expenses are a result of the payroll accrual including more days than at the end of 2016.
- The unrestricted net assets, usually a useful indicator of the Zoo's financial position, decreased by \$2,044,688.

Saint Louis Zoo

Statement of Activities and Changes in Net Position (Primary Government Only)

As of December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>Change \$\$</u>	<u>Change %</u>
Operating Revenues	\$29,256,842	\$28,202,550	\$1,054,292	3.7%
Operating Expenses	61,274,245	57,514,035	3,760,210	6.5%
Operating Income (loss)	<u>(32,017,403)</u>	<u>(29,311,485)</u>	<u>(2,705,918)</u>	<u>9.2%</u>
Non-operating Revenue	22,626,740	21,746,276	880,464	4.0%
Non-operating Expense	-	-	-	
Income (Loss) before contributions	<u>(9,390,663)</u>	<u>(7,565,209)</u>	<u>(1,825,454)</u>	<u>24.1%</u>
Transfers of Contributions (non-capital)	(43,812)	(642,367)	598,555	-93.2%
Transfers of Contributions (capital)	3,348,044	8,829,109	(5,481,065)	-62.1%
Total Transfers of Contributions	<u>3,304,232</u>	<u>8,186,742</u>	<u>(4,882,510)</u>	<u>-59.6%</u>
Change in Net Position	<u>(6,086,431)</u>	<u>621,533</u>	<u>(6,707,964)</u>	<u>-1079.3%</u>
Net Position - beginning of year	121,048,068	120,426,535	621,533	0.5%
Net Position - end of year	<u>\$114,961,637</u>	<u>\$121,048,068</u>	<u>(\$6,086,431)</u>	<u>-5.0%</u>

Analysis:

- In 2017, the Zoo's net position decreased \$6,086,431 as compared to a 2016 increase of \$621,533(.5%).

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

In 2017, the Zoo achieved an attendance of 3,117,113 visitors. Year-to-year comparisons are as follows:

- **Operating revenue** increased by \$1,054,292 (3.7%) due to positive revenue variances for other operating revenue (\$594,679); Food Service (\$343,777); and Retail (\$305,362). The other operating revenue driver was \$638,240 in insurance reimbursements for the several roofs, a fire at the Distribution Center, and the orangutan glass panels. Food Service increase was mainly the result of a large private event held in June. Although attendance came in slightly under projections and 2016 totals, most of the earned income venues exceeded 2016 numbers. The weather was statistically better than in 2016, but due to high precipitation rates and above average temperatures during key summer months, attendance suffered slightly.
- **Operating expense** increased \$3,760,210 (6.5%) over 2016, due to increases in salaries, depreciation, merchandise, and marketing. Salary costs increased \$1,899,837 mainly due to the minimum wage effect, combined with the raise pool, the addition of new full-time, part-time, and seasonal positions, plus increased labor expenses associated with increased sales. The minimum wage effect was the Zoo's decision to retain the \$10/hour minimum wage after it had been reversed by the State of Missouri. Depreciation increased by \$1,041,262 due to the final *Living Promise Campaign* project being added in 2017. Merchandise costs increased \$331,291 due to the higher retail sales mentioned above. Marketing costs increased by \$271,575 primarily due to the 2017 production of the Grizzly Ridge television ad to be aired in 2018, expenses for the unbudgeted "I Promise" campaign, and by additional fourth quarter marketing efforts to reach diverse audiences. These variances were offset by fringe benefits, down \$312,860, and major expense which decreased by \$200,624. Fringe benefit costs were less due to the pension liability adjustment for 2017 which was \$499,557 lower than the 2016 adjustment. There also was a rebate of \$73,080 from prior years combined with lower premiums due to claim's history for worker's compensation insurance. These positives were offset by group insurance payments being \$201,556 higher than 2016 due to the Zoo's decision to add more part-time employees to the medical insurance. The major expense category was down due to less activity.
- **Non-operating revenue** increased by \$880,464 due to the tax revenue being higher.
- **Transfers of Contributions**, moved from the component unit (the Association) were \$3,304,232 in 2017, \$4,882,510 less than the 2017 amount. Transfers for capital items were \$5,481,065 less than the previous year due to a decline in the spending for capital because of the end of the campaign spending. Also, for shared services in 2017 (referenced in the Introduction above and in Note 1), this was a \$650,000 reduction from the previous year.
- **The Change in Net Position** was (\$6,086,431), \$6,707,964 less than YTD 2016.

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

Saint Louis Zoo
Statement of Cash Flows (Primary Government Only)
For year ended December 31, 2017

	2017	2016	Change \$\$	Change %
Cash Flows from Operating Activities	(\$18,747,775)	(\$19,739,867)	\$992,092	-5.0%
Cash Flows from Non-Capital Financing Activities	21,629,971	21,321,928	308,043	1.4%
Cash Flows from Capital and Related Financing	(3,441,456)	(1,795,826)	(1,645,630)	91.6%
Cash Flows from Investing Activities	32,317	17,031	15,286	89.8%
Net Increase (Decrease) in Cash and Cash	(526,943)	(196,734)	(330,209)	167.8%
Cash and cash equivalents at beginning of year	<u>2,603,949</u>	<u>2,800,683</u>	<u>(\$196,734)</u>	<u>-7.0%</u>
Cash and cash equivalents at end of year	<u>\$2,077,006</u>	<u>\$2,603,949</u>	<u>(\$526,943)</u>	<u>-20.2%</u>

Cash Flow Analysis:

- Net cash from operating activities increased \$992,092, or 5%, due to cash received from patrons and contributions in addition to cash received from the component unit, less the cash paid out to employees and suppliers.
- Net cash received from non-capital financing activities increased \$308,043, or 1.4%, due to cash received from property tax revenue.
- Net cash used from capital and related financing activities increased \$1,645,630 due to a \$4,143,571 decrease in the cash received from the component unit offset by \$2,510,001 increase in payments for property and equipment.
- Net cash received from investing activities increased by \$15,286 due to cash received from investment earnings.

Economic Outlook:

The Zoo continues to experience relatively flat tax projections, with a total increase of only 13.1% from 2008 to 2017, for an average annual increase of 1.2%. The stagnant tax, combined with the lack of any new significant earned revenue enhancements to offset projected increases in labor costs as well as growing planned long-term maintenance costs and infrastructure improvements means the Zoo will face challenging times in the near future.

The Zoo completed the Facility Condition Assessment in 2017. This study identified \$7.7 million in immediate needs to repair unsafe conditions and a total of \$101.8 million over the next 20 years for recurring expenditures that should be budgeted to repair or replace building and infrastructure systems or components as they reach the end of their useful life. The Saint Louis Zoo has been working diligently to make improvements to enhance the bottom line. For 2018, staff and governance leaders continued with a comprehensive review of the budget focused on ideas for increasing revenue; which includes price increases, reducing expenses through zero-

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
*For the Year Ended December 31, 2017***

based budgeting on select expense lines, and ensuring projects are properly and competitively bid.

As Zoo leadership forecasts to 2021, they will continue to look for opportunities to trim costs and for ways to increase revenue, including the following: expanding fee-based public events; growing the endowment; increasing unrestricted support to accomplish the Zoo's mission; exploring the possibility of a modest sales tax increase in St. Louis City and St. Louis County.

The Saint Louis Zoo Association

In 2017, Association operating revenue increased by \$9,744,499 (84.3%) when compared to 2016. The largest increases came from contributions (\$8,722,700), followed by ZOOFARI (\$468,255), and then the Marlin Perkins Society memberships (\$221,900). The contributions increased in 2017 because of large gifts that were received in 2017; a \$5,000,000 post-campaign donation for Centene Grizzly Ridge, \$3,798,649 received as unrestricted, and \$1,000,000 received for the mini-initiative to support the Primate Canopy Trails project. For ZOOFARI, the Zoo's primary midsummer fundraiser, this alternates annually with the more informal A Zoo Ado. ZOOFARI brought in \$1,017,949, compared with \$549,694 for A Zoo Ado in 2016. The Marlin Perkins Society once again broke a sales record with \$2,264,268 in membership sales for the year. This is \$221,900, or 10.9%, better than 2016, which was also the previous record.

Overall, the Association operating expenses decreased by \$219,423 due to decreases of \$433,296 in salaries and \$361,575 in legal/audit/consulting. The salary decrease was due to the shared services transfer from the Zoo, which decreased from \$2,450,000 to \$1,800,000, for a decrease of \$650,000. For legal/audit/consultation, the decrease is attributable to the special appropriation spending for a legislative initiative in 2016 which decreased in 2017. There was also the promotion the 'America's #1 Zoo' promotion in 2016. These decreases were offset by a \$327,566 increase in entertainment due to ZOOFARI and \$106,823 more in donor and member recognition attributable to the opening of Centene Grizzly Ridge.

The non-operating revenues increased by \$4,753,728. This was a positive year for the Investment income portfolio, which rose \$6,927,431 when compared to 2016. Conversely, bequest and endowed contributions declined, ending the year \$2,173,703 less than the 2016 amount.

In 2017, the Association transferred \$3,304,232 to the Zoo, \$4,882,510 less than the previous year. The largest transfer was for capital projects (\$3,348,044) due to Centene Grizzly Ridge project construction, which was completed in 2017. This was \$5,481,605 less than the previous year. The transfer for the Endowment Harvest (\$1,010,000) also decreased. These items were offset by \$1,800,000 for the shared services expense transfer from the Zoo which was \$650,000 less than the 2016 transfer.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE
METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT AND
SAINT LOUIS ZOO ASSOCIATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
*For the Year Ended December 31, 2017***

Contacting the Saint Louis Zoological Subdistrict

This financial report is designed to provide a general overview of the Zoo’s financial activity. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. Questions regarding any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Saint Louis Zoo, One Government Drive, St. Louis, MO 63110.

FINANCIAL STATEMENTS

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 STATEMENT OF NET POSITION
 DECEMBER 31, 2017
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION AS OF
 DECEMBER 31, 2017 AND 2016)**

	2017		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
ASSETS AND DEFERRED OUTFLOW OF RESOURCES				
CURRENT ASSETS				
Cash and Cash Equivalents (Note 3)	\$ 2,077,006	\$ 22,126,384	\$ 24,203,390	\$ 21,947,421
Due from Zoo Museum District, Net (Note 1)	16,457,613	-	16,457,613	15,455,486
Pledges Receivable, Net (Note 6)	-	4,474,842	4,474,842	1,825,880
Miscellaneous Receivables	104,442	1,158,713	1,263,155	1,868,659
Due from Component Unit, Net (Note 2)	337,494	3,181,246	-	-
Inventories	747,535	12,789	760,324	722,174
Prepaid Expenses	426,968	72,136	499,104	544,051
Accrued Interest Receivable	-	59,818	59,818	50,306
	<u>20,151,058</u>	<u>31,085,928</u>	<u>47,718,246</u>	<u>42,413,977</u>
LONG-TERM INVESTMENTS (NOTE 3)	-	85,676,423	85,676,423	69,663,202
BENEFICIAL INTEREST IN A TRUST AGREEMENT (NOTE 5)	-	223,989	223,989	206,901
PLEDGES RECEIVABLE, NONCURRENT, NET (NOTE 6)	-	6,359,524	6,359,524	5,107,730
OTHER ASSETS (NOTE 7)	-	1,308,237	1,308,237	1,308,237
PROPERTY AND EQUIPMENT (NOTE 8)	114,603,964	-	114,603,964	118,645,707
DEFERRED OUTFLOW OF RESOURCES (NOTE 9)	<u>1,004,612</u>	<u>-</u>	<u>1,004,612</u>	<u>3,935,851</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 135,759,634</u>	<u>\$ 124,654,101</u>	<u>\$ 256,894,995</u>	<u>\$ 241,281,605</u>

* Comparative totals are unaudited and eliminations have been made for transactions between the primary government and its discretely presented component unit.

See accompanying Notes to Financial Statements.

	2017		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association	2017	2016
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	\$ 1,686,944	\$ 606,108	\$ 2,293,052	\$ 2,876,075
Accrued Expenses and Other Liabilities (Note 1)	1,172,318	635,509	1,807,827	1,587,448
Due to Component Unit, Net (Note 2)	3,181,246	337,494	-	-
Unearned Support and Income (Note 10)	444,542	104,480	549,022	451,824
Total Current Liabilities	6,485,050	1,683,591	4,649,901	4,915,347
OTHER LIABILITIES (NOTE 1)	-	2,006,664	2,006,664	1,904,595
OBLIGATION UNDER TRUST AGREEMENT (NOTE 5)	-	54,798	54,798	61,204
POST-EMPLOYMENT OBLIGATIONS (NOTE 12)	556,079	-	556,079	554,792
NET PENSION LIABILITY (NOTE 9)	13,438,511	-	13,438,511	15,870,903
DEFERRED INFLOW OF RESOURCES (NOTE 9)	318,357	-	318,357	449,032
Total Liabilities and Deferred Inflow of Resources	20,797,997	3,745,053	21,024,310	23,755,873
NET POSITION (NOTE 11 AND NOTE 15)				
Invested in Capital Assets	114,603,964	-	114,603,964	118,645,707
Restricted for				
Expendable:				
Endowment - Donor Restricted	-	20,034,444	20,034,444	11,757,457
Capital Projects - Donor Restricted	-	6,985,745	6,985,745	3,347,973
Nonexpendable:				
Endowment - Donor Restricted	-	32,586,774	32,586,774	32,251,851
Unrestricted	357,673	61,302,085	61,659,758	51,522,744
Total Net Position	114,961,637	120,909,048	235,870,685	217,525,732
Total Liabilities, Deferred Inflow of Resources and Net Position	\$ 135,759,634	\$ 124,654,101	\$ 256,894,995	\$ 241,281,605

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2017
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE
 YEARS ENDED DECEMBER 31, 2017 AND 2016)**

	2017			
	Primary	Component		
	Government	Unit	2017	2016
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
OPERATING REVENUES				
Food and Beverage	\$ 11,910,297	\$ -	\$ 11,910,297	\$ 11,566,520
Contributions	-	11,634,344	11,634,344	2,911,644
Membership Dues and Parent Program	-	4,861,140	4,861,140	4,656,222
Retail	5,433,219	-	5,433,219	5,127,857
Parking Lot	3,751,387	-	3,751,387	3,671,778
Attractions	2,995,346	-	2,995,346	3,009,513
Sponsorship and Event Revenue	214,050	1,516,421	1,730,471	1,603,858
Other	1,284,045	7,409	1,279,454	744,412
Marlin Perkins Society	-	2,264,268	2,264,268	2,042,368
Education	1,582,285	-	1,582,285	1,655,985
Children's Zoo	705,799	-	705,799	814,305
ZOOFARI and A ZOO ADO	-	1,017,949	1,017,949	549,694
Visitor Relations	290,779	-	290,779	259,259
Sea Lion Show	432,542	-	432,542	446,287
Sales and Catering	489,238	-	489,238	468,822
WildCare Institute	167,855	-	167,855	219,058
Total Operating Revenues	<u>29,256,842</u>	<u>21,301,531</u>	<u>50,546,373</u>	<u>39,747,582</u>
OPERATING EXPENSES				
Salaries and Wages	23,596,612	4,072,076	27,668,688	26,202,147
Fringe Benefits	6,711,204	545,101	7,256,305	7,548,250
Merchandise	5,474,562	16,217	5,490,779	5,165,467
Animal Food and Medical Care	1,151,931	-	1,151,931	1,039,570
Utilities	2,917,346	1,510	2,918,856	3,093,641
Supplies	1,344,996	827,416	2,172,412	1,967,167
Property and Liability Insurance	672,934	36,000	708,934	685,960
Computer and IT Maintenance	478,059	75,564	553,623	408,604
Financial Institution Charges	15,983	400,485	416,468	357,733
Donor and Member Recognition	-	328,794	328,794	221,971
Postage	41,443	280,721	322,164	338,717
Service Fees	486,070	25,888	511,958	434,498
Other Operating Expenditures	1,964,721	1,327,524	3,280,245	2,842,474
Conservation and Research	863,393	-	863,393	832,119
Travel	250,624	19,542	270,166	223,557
Legal/Audit/Consulting	438,690	396,189	834,879	1,030,952
Repairs and Maintenance	1,170,847	-	1,170,847	1,068,498
Printing and Graphics	158,016	437,194	595,210	631,320
Marketing	1,718,286	108,053	1,826,339	1,522,700
Animal Sales and Purchases, Net	95,013	-	95,013	121,510
Major Expense	429,944	-	429,944	630,568
Depreciation (Note 8)	11,293,571	-	11,293,571	10,252,309
Total Operating Expenses	<u>61,274,245</u>	<u>8,898,274</u>	<u>70,160,519</u>	<u>66,619,732</u>
Operating Income (Loss)	(32,017,403)	12,403,257	(19,614,146)	(26,872,150)

* Comparative totals are unaudited and eliminations have been made for transactions between the primary government and its discretely presented component unit.

See accompanying Notes to Financial Statements.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION (CONTINUED)
 YEAR ENDED DECEMBER 31, 2017
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE
 YEARS ENDED DECEMBER 31, 2017 AND 2016)**

	2017		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
NONOPERATING REVENUES (EXPENSES)				
Loss on Disposal of Property and Equipment	\$ (37,675)	\$ -	\$ (37,675)	\$ (18,500)
Tax Revenue, Net (Note 1)	22,632,098	-	22,632,098	21,735,685
Investment Income (Loss)	32,317	11,369,775	11,402,092	4,459,375
Bequest and Endowment Contributions	-	3,962,584	3,962,584	6,136,287
Other Contributions/Grants	-	-	-	12,060
Total Nonoperating Revenues	<u>22,626,740</u>	<u>15,332,359</u>	<u>37,959,099</u>	<u>32,324,907</u>
Income (Loss) Before Transfers of Contributions	(9,390,663)	27,735,616	18,344,953	5,452,757
TRANSFERS OF CONTRIBUTIONS				
Parent Program	409,546	(409,546)	-	-
Capital Projects	3,348,044	(3,348,044)	-	-
WildCare Institute	300,642	(300,642)	-	-
Endowment Distribution (Note 15)	1,010,000	(1,010,000)	-	-
Carousel	36,000	(36,000)	-	-
Shared Services (Note 1)	(1,800,000)	1,800,000	-	-
Total Transfers of Contributions	<u>3,304,232</u>	<u>(3,304,232)</u>	<u>-</u>	<u>-</u>
CHANGES IN NET POSITION	(6,086,431)	24,431,384	18,344,953	5,452,757
Net Position - Beginning of Year	<u>121,048,068</u>	<u>96,477,664</u>	<u>217,525,732</u>	<u>212,072,975</u>
NET POSITION - END OF YEAR	<u>\$ 114,961,637</u>	<u>\$ 120,909,048</u>	<u>\$ 235,870,685</u>	<u>\$ 217,525,732</u>

* Comparative totals are unaudited and eliminations have been made for transactions between the primary government and its discretely presented component unit.

See accompanying Notes to Financial Statements.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2017
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE
 YEARS ENDED DECEMBER 31, 2017 AND 2016)**

	2017		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Patrons/Contributors	\$ 29,449,050	\$ 19,813,337	\$ 49,262,387	\$ 44,987,357
Cash Paid to Employees and Suppliers	(52,065,453)	(8,606,294)	(60,671,747)	(57,252,688)
Cash Received from (Paid to) Component Unit for Operations	3,868,628	(3,868,628)	-	-
Net Cash Provided (Used) by Operating Activities	(18,747,775)	7,338,415	(11,409,360)	(12,265,331)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received from Property Tax Assessments	21,629,971	-	21,629,971	21,321,928
Cash Contributions Received for Board Restricted	-	3,627,664	3,627,664	5,128,381
Cash Contributions Received for Permanent Endowment	-	334,923	334,923	1,007,909
Net Cash Provided by Noncapital Financing Activities	21,629,971	3,962,587	25,592,558	27,458,218
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash Received from (Paid to) Component Unit for Property and Equipment	3,848,044	(3,848,044)	-	-
Payments for Property and Equipment	(7,289,500)	-	(7,289,500)	(9,799,501)
Cash Received from Grants	-	-	-	12,060
Net Cash Used by Capital and Related Financing Activities	(3,441,456)	(3,848,044)	(7,289,500)	(9,787,441)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Maturities and Sales	-	8,350,000	8,350,000	5,319,313
Investment Purchases	-	(13,168,920)	(13,168,920)	(8,068,888)
Cash Received from Investment Earnings	32,317	148,874	181,191	258,905
Net Cash Provided (Used) by Investing Activities	32,317	(4,670,046)	(4,637,729)	(2,490,670)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(526,943)	2,782,912	2,255,969	2,914,776
Cash and Cash Equivalents - Beginning of Year	2,603,949	19,343,472	21,947,421	19,032,645
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,077,006</u>	<u>\$ 22,126,384</u>	<u>\$ 24,203,390</u>	<u>\$ 21,947,421</u>

* Comparative totals are unaudited and eliminations have been made for transactions between the primary government and its discretely presented component unit.

See accompanying Notes to Financial Statements.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 STATEMENT OF CASH FLOWS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2017
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE
 YEARS ENDED DECEMBER 31, 2017 AND 2016)**

	2017		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (32,017,403)	\$ 12,403,257	\$ (19,614,146)	\$ (26,872,150)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	11,293,571	-	11,293,571	10,252,309
Transfer of Shared Services	(1,800,000)	1,800,000	-	-
Due to/from Component Unit	3,868,628	(3,868,628)	-	-
(Increase) Decrease in Assets:				
Pledges Receivable	-	(3,900,756)	(3,900,756)	3,651,062
Miscellaneous Receivables	80,584	524,918	605,502	(1,062,023)
Inventories	(42,065)	3,915	(38,150)	70,827
Prepaid Expenses	6,377	38,570	44,947	(160,189)
Other Assets	-	-	-	169,338
Decrease in Deferred Outflows of Resources	2,931,239	-	2,931,239	1,987,965
Increase (Decrease) in Liabilities:				
Accounts Payable	(826,873)	243,850	(583,023)	527,030
Accrued Expenses and Other Current Liabilities	208,328	114,120	322,448	353,966
Post-Employment Obligations	1,287	-	1,287	(25,223)
Obligation Under Trust Agreement	-	(6,406)	(6,406)	(10,725)
Net Pension Liability	(2,432,392)	-	(2,432,392)	(1,045,084)
Unearned Support and Income	111,619	(14,425)	97,194	(27,282)
Decrease in Deferred Inflows of Resources	(130,675)	-	(130,675)	(75,152)
Net Cash Provided (Used) by Operating Activities	<u>\$ (18,747,775)</u>	<u>\$ 7,338,415</u>	<u>\$ (11,409,360)</u>	<u>\$ (12,265,331)</u>

* Comparative totals are unaudited and eliminations have been made for transactions between the primary government and its discretely presented component unit.

See accompanying Notes to Financial Statements.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies generally accepted in the United States of America employed in the preparation of the accompanying financial statements of the Saint Louis Zoological Subdistrict of the Metropolitan Zoological Park and Museum District and the Saint Louis Zoo Association.

Reporting Entity

Saint Louis Zoo

The Saint Louis Zoological Subdistrict (the Zoo) is a subdistrict of the Metropolitan Zoological Park and Museum District (the Zoo Museum District), which an act of the Missouri State Legislature established in 1971. The Saint Louis Zoo Association (the Association) provides its services entirely to the Zoo; however, operates under a different governing body than the Zoo. As such, the Association is presented in a separate column and included as a discretely presented component unit of the Zoo. A component unit is a separate legal entity that is financially accountable to the Zoo whose exclusion would cause the Zoo's financial statements to be misleading. The Saint Louis Zoological Subdistrict is a component unit of the Zoo Museum District. The Zoo and the Association are collectively referred to as the "Saint Louis Zoo."

Saint Louis Zoological Subdistrict

The Zoo is supported primarily by property tax revenues from the City and County of St. Louis provided through the Zoo Museum District, Zoo operations, and contributions from its component unit, the Saint Louis Zoo Association. The Zoo is considered the primary government, and its operations are considered a major enterprise fund in the financial statements, as defined in the Governmental Accounting Standards Board ("GASB").

Saint Louis Zoo Association

The Association is a component unit of the Zoo. The Association is a separately incorporated nonprofit organization whose purpose is supporting the Zoological Subdistrict of the Metropolitan Zoological Park and Museum District by providing facilities, funds, and advice, and whose proceeds from operations and fundraising activities are periodically donated to the Zoo. The Association includes endowment funds that were established to hold and manage financial assets, both donor restricted and board designated, for the advancement of the Zoo and to further its conservation and educational mission. These resources will help support professional positions, education programs, and conservation and research activities of the Zoo.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Reporting Entity (Continued)

Saint Louis Zoo Association (Continued)

The Association is exempt from federal tax under Section 501(c)(3) of the Internal Revenue Code and, as such, has adopted pronouncements of the FASB in accounting and reporting proprietary activities. This includes applicable Accounting Standards Codification (ASC) 958-605, Not-for-Profit Revenue Recognition, and ASC 958-205, Not-for-Profit Presentation of Financial Statements. As such, certain revenue recognition criteria and presentation features are different from GASB revenue and expense recognition criteria and financial reporting and disclosure presentation features. No modifications have been made to the Association financial information in the financial statements for these differences, except for the reclassification of net position amounts in the statement of net position and the presentation of contributions to the Zoo from the Association as transfers rather than as operating expenses.

An internal memorandum of understanding dated November 20, 2004, states that all bequests and planned giving to the Zoo or any of the support organizations will be held as endowment funds unless otherwise directed by the donor. This memorandum was retroactively adopted on January 1, 2004.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the Saint Louis Zoo are reported using the full 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. Property taxes are recognized as revenues in the year for which they are levied by the City and County of St. Louis and reported to the Zoo Museum District.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Zoo, the accounts of the Zoo are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The assets, liabilities, and net position of the Zoo are reported as a major enterprise fund.

The Zoo's enterprise fund records tax revenues, restricted and unrestricted gifts, grants, and operating revenues that are used to pay for both operating expenses and capital expenditures to maintain the services provided to the users of the Zoo facilities. The fund includes the cost of purchased property and equipment, the fair value of donated equipment, and the related depreciation expense. Operating revenues of the Zoo are those revenues that are generated from the primary operations of the Zoo. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the Zoo. All other expenses are reported as non-operating expenses.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

New Accounting Pronouncements

During the year ended December 31, 2017, the Zoo adopted GASB Statement No. 82, *Pension Issues*, an amendment of GASB Statements No. 67, No. 68, and No. 73. This Statement addresses certain issues that have been raised with respects to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The adoption of this provision did not have an impact on the Zoo's financial position or changes in net assets.

Use of Estimates

The preparation of the Saint Louis Zoo's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the content of footnote disclosures concerning the circumstances and amount of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Saint Louis Zoo considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Due from Zoo Museum District / Tax Receivable and Revenue

The Zoo Museum District Board has established a tax rate for the Zoo of 7.68 cents of the maximum 8 cents on each \$100 of assessed property valuation in the City and County of St. Louis. The Zoo recognizes such tax revenues and the related receivable in the period in which the taxes have been levied (full accrual basis of accounting). The Zoo Museum District receives the monies from the tax collectors' offices, and may withhold up to 5% of total tax revenue collected to defray its operating expenditures. The Zoo Museum District withheld 5% during the year ended December 31, 2017. Excess funds of \$950,177 were distributed to the Zoo during the year ended December 31, 2017. Such amounts, if any, are included in tax revenue in the accompanying financial statements. The tax receivable of \$17,085,771 has been reduced by an allowance for uncollectible accounts of \$628,158 at December 31, 2017. Tax revenues of \$22,655,080 are reported net of uncollectible tax recoveries of (\$22,982) for the year ended December 31, 2017.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Pledges Receivables

The Association records restricted pledges as a pledge receivable and as restricted contributions and income upon receipt of the pledge. Contributions are released from restrictions upon recognition of the capital project expenditure for the particular project, based on cash collected against the pledge. The Association's development department performs ongoing evaluations of the pledge receivables and delinquency statements are sent to donors periodically throughout the year.

Pledge receivables are stated at the amount management expects to collect from the outstanding balance, net of the discount of approximately 1% to present value (see Note 6) which is estimated to reflect fair value at December 31, 2017. Pledge receivables are further reduced by an allowance that reflects management's best estimate of the amount that will not be collected (see Note 6). This allowance account is established based on historical collection experience coupled with management's evaluation of outstanding pledge receivables at the end of the year. At December 31, 2017, management has recorded \$127,491 as an allowance for doubtful accounts.

During the year ended December 31, 2017, management provided for probable uncollectible amounts through a charge to expense and a credit to pledges receivable. Bad debt expense related to pledges for the Association amounted to \$8,289 for the year ended December 31, 2017.

Inventories

Inventories, which are adjusted to annual physical counts and consist of food, beverages, novelties, and gifts, are valued at the lower of cost or market, cost being determined on the average cost basis.

Property and Equipment

Purchased property and equipment is stated at cost and donated assets are recorded at fair value at the date of donation. All tangible items with a total cost that exceeds \$5,000 are capitalized. Depreciation is computed using the straight-line method with a full year of depreciation in year placed in service (none taken in year of disposal) over the estimated lives of the assets, ranging from 3 to 25 years. The cost of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized. Construction in progress are projects under construction, for which depreciation will be recorded when the project is complete and placed in service. Land held for development represents land and improvements that are being held for future development and are not being depreciated as it is not placed in service. Policy is to capitalize purchases over \$5,000.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Animal Transactions

Animal transactions that do not involve either the receiving or disbursing of cash are not recorded in the Zoo's financial statements. Those transactions that involve cash are recorded on the accrual basis of accounting in the period the animal was shipped or received.

Gift Annuity Contracts

The Association executes gift annuity contracts upon the donation of various assets to the Association. The Association may then purchase an annuity on the donor's behalf or choose to underwrite the annuity obligation. Currently, all gift annuity contracts are underwritten by the Association. The donor proceeds from the gift annuity contracts are invested. The Association recognizes contributions for the amount of the donated assets less the cost or value of the annuity. At December 31, 2017, the amounts of gift annuity obligations are \$2,274,280 for the Association and are reflected as accrued expenses and other liabilities on the balance sheet, of which \$2,006,664 is considered noncurrent. At December 31, 2017, \$267,616 is considered current based on an estimate of annuity payments to be paid during 2017. The gift annuity contracts are at fair value in accordance with ASC 820-10.

Donations

Donations and donated services are valued at fair value at the time of donation. Donations are considered available for unrestricted use unless specifically restricted by the donor. No amounts have been reflected in the financial statements for certain donated services since no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of time to the Saint Louis Zoo's programs and fundraising campaigns.

Deferred Outflows of Resources

The Zoo reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its statement of net position. The Zoo's deferred outflow relates to its pension plan current year payments of contributions to Employees' Retirement System of the City of St. Louis that will be recognized next year, pension plan differences between projected and actual earnings on pension plan investments and changes in the Zoo's proportionate share of contributions.

Deferred Inflows of Resources

The Zoo's financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources reported in these financial statements in the current year represent pension plan differences between expected and actual experience as well as changes of assumptions in the Employees' Retirement System of the City of St. Louis pension plan.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 2 TRANSACTIONS WITH COMPONENT UNIT

The Zoo received support from the Association, whose charitable purpose as a component unit of the Zoo is to provide periodic support for the Zoo operations, capital projects, programs, and other designated initiatives.

The following is a list and brief description of transfers reported as transfers of contributions received by (to) the Zoo from the Association during the year ended December 31, 2017:

Type of Transaction	Amount
Parent Program Support	\$ 409,546
Capital Project Support	3,348,044
WildCare Institute Support	300,642
Endowment Distribution	1,010,000
Carousel (Membership Benefit)	36,000
Shared Services	(1,800,000)
	\$ 3,304,232

Other amounts included in due to/from affiliates relate to various expense reimbursements and bequest contributions recognized as income to the Association, but received by the Zoo. Amounts expended for capital projects by the Zoo are included in due to/from the Association based on the Association's commitment to fund specific capital projects of the Zoo. These amounts are classified as current, as reimbursements are expected to occur during 2017.

NOTE 3 CASH AND INVESTMENTS

The Association's and Zoo's cash balances, money market funds and certificates of deposit are held at numerous banks and are covered by federal depository insurance up to \$250,000 per bank by each entity or collateralized by securities held in each entity's name. At December 31, 2017, the Association's and Zoo's balances were as follows:

	Carrying Value	Bank Balances
<u>Cash and Cash Equivalents</u>		
Zoo	\$ 2,077,006	\$ 2,805,139
Association	22,126,384	22,065,446
Total Cash and Cash Equivalents	\$ 24,203,390	\$ 24,870,585

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments are presented at fair value and consist of money market funds, certificates of deposit, corporate notes, mutual funds, common stocks, and U.S. Government and agency obligations. A comparison of fair value and amortized cost of investments as of December 31, 2017 is as follows:

<u>Investments</u>	<u>Reported Value</u>	<u>Cost or Amortized Cost</u>	
Association:			
Money Market Funds	\$ 605,805	\$ 605,805	
U.S. Government and Agency Obligations	3,016,424	3,065,612	
Corporate Notes/Obligations	5,227,108	5,287,587	
Foreign Issues	716,917	716,731	
Municipal Issues	663,594	666,568	
Mutual Funds	<u>48,351,274</u>	<u>33,518,240</u>	
Investments Held at Fair Value	58,581,122	43,860,543	
Alternative Investment Funds at Net Asset Value	<u>27,095,301</u>	<u>24,747,075</u>	
Total	<u>\$ 85,676,423</u>	<u>\$ 68,607,618</u>	
	<u>Zoo</u>	<u>Association</u>	<u>Total</u>
Unrealized Gains	\$ -	\$ 8,824,775	\$ 8,824,775
Realized Gains	-	1,394,617	1,394,617
Dividend and Interest Income	<u>32,317</u>	<u>1,150,383</u>	<u>1,182,700</u>
Total Investment Income	<u>\$ 32,317</u>	<u>\$ 11,369,775</u>	<u>\$ 11,402,092</u>

Investment income is \$11,402,092 for the year ended December 31, 2017, which includes unrealized appreciation in fair value of \$8,824,775, realized gains of \$1,393,958, and dividends and interest of \$1,183,359.

Investments of the Association are reported at fair value and at net asset value as described in Note 16 and are subject to the inherent risks of volatility in the market.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 4 ASSETS RESTRICTED FOR ENDOWMENT

Association assets and liabilities restricted for endowment consist of the following at December 31, 2017:

Cash and Cash Equivalents	\$ 739,370
Investments, Noncurrent, Net of Gift Annuity Obligations	68,767,564
Pledge Receivables, Current	595,412
Pledge Receivables, Net Noncurrent	1,383,744
Miscellaneous Receivables, Current	340,353
Prepaid Expenses	5,424
Accrued Interest Receivable	59,818
Other Assets	1,308,237
Other Liabilities	<u>(285,690)</u>
Total	<u><u>\$ 72,914,232</u></u>

The Association has \$20,293,014 of unrestricted funds designated by the Board of Directors to function as endowments, see Note 15 on page 38.

NOTE 5 BENEFICIAL INTEREST IN A TRUST AGREEMENT

The Association is a beneficiary of a donor's irrevocable charitable remainder trust agreement. The trust assets are managed by a third-party who is the corporate trustee and who remits payments under the terms of the trust to the donor and provides reporting of the trust assets to the Association. The investments held under this agreement consist primarily of equity and fixed income securities. These investments and beneficial interest are recorded at their fair value of \$223,989 at December 31, 2017.

The obligation under this trust agreement is \$54,798 at December 31, 2017, which represents the present value of future amounts payable under the terms of this charitable remainder unitrust agreement based on Internal Revenue Service guidelines. The agreement terminates upon the earlier of the grantor's death, which occurred during 2012, or not more than ten years later, should his children survive him. The agreement provides that the children of the grantor become successor trustees upon his death for a period of not more than ten years. The Association would become the beneficiary of the remainder of the trust assets after this term.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 6 PLEDGES RECEIVABLE

Association pledges receivable at December 31, 2017, consist of pledges from corporations, individuals, trusts, and foundations for various capital projects and general operations. Substantially all of the pledges receivable are restricted for use by the Association for Zoo renovation and expansion of exhibits and endowed positions.

	Association
Pledges Receivable Before Unamortized Discount and Allowance for Doubtful Accounts	\$ 11,109,087
Less Unamortized Discount	(147,230)
Subtotal	10,961,857
Less Allowance for Doubtful Accounts	(127,491)
Pledges Receivable, Net	\$ 10,834,366

	Association	
	Net	Gross
Amounts Due in:		
Less Than One Year	\$ 4,474,842	\$ 4,602,333
Years One to Five	6,219,288	6,356,286
More Than Five Years	140,236	150,468
Total	\$ 10,834,366	\$ 11,109,087

The pledge receivables are recorded at their fair value based on discounted future cash flows at a rate of approximately 1%.

NOTE 7 OTHER ASSETS

The Association received a bequest during 2011, which includes artwork and other items. At December 31, 2017, the fair value of the bequest is \$1,308,237, which is included in other assets.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 8 PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2017 is as follows:

	Balance January 1, 2017	Additions	Transfers or Retirements	Balance December 31, 2017
Capital Assets, Not Being Depreciated:				
Land Held for Development	\$ 6,308,610	\$ -	\$ -	\$ 6,308,610
Construction in Progress	13,645,981	7,289,503	(18,852,593)	2,082,891
Total Capital Assets, Not Being Depreciated	19,954,591	7,289,503	(18,852,593)	8,391,501
Capital Assets, Being Depreciated:				
Buildings and Improvements and Equipment	257,163,983	18,852,593	(2,646,929)	273,369,647
Less Accumulated Depreciation for:				
Buildings and Improvements and Equipment	(158,472,867)	(11,293,571)	2,609,254	(167,157,184)
Total Capital Assets, Being Depreciated, Net	98,691,116	7,559,022	(37,675)	106,212,463
Total Combined Zoo and Association	<u>\$ 118,645,707</u>	<u>\$ 14,848,525</u>	<u>\$ (18,890,268)</u>	<u>\$ 114,603,964</u>

Depreciation expense was \$11,293,571 for the Zoo for the year ended December 31, 2017.

The Zoo has executed contracts for the completion of various projects and exhibits. Commitments for contracts related to the projects that were not completed at December 31, 2017, totaled approximately \$5,536,318.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 9 EMPLOYEE BENEFIT PLANS

Pension Plan

DESCRIPTION OF THE PLAN

General

The Zoo participates in the Employees Retirement System of the City of St. Louis (ERS). The System is a cost-sharing, multiple-employer, defined benefit public employees' retirement system for all non-uniformed employees of the City of St. Louis and certain other public entities funded by or providing services to residents of the City of St. Louis. The System became operative April 1, 1960, by municipal ordinance establishing the System under the authority of Senate Bill No. 329 of the 70th General Assembly of the State of Missouri. Responsibility for operation and administration of the System is vested in its Board of Trustees. The Board of Trustees consists of the Comptroller of the City of St. Louis, two members appointed by the Mayor of the City of St. Louis, two members elected by the membership of the System, and one member elected by the retired members of the System. ERS issues a publicly available financial report that can be obtained at <https://www.stlouis-mo.gov/government/departments/employee-retirement/>.

Benefits

The System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest to employees covered by the System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age of 65 or if an employee's age and creditable service combined equal or exceed 85 years. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service, age 55 with at least 20 years of creditable service, or any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted according to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

Contributions

Employer contribution rates are established annually by the Board of Trustees based on an actuarial study. The Board of Trustees established the required employer contribution rates, based on active member payroll, of 12.43% effective July 1, 2016 and 12.13% effective July 1, 2017.

Employees who became members of the System prior to October 14, 1977, and continued to make contributions may make voluntary contributions to the System equal to 3% of their compensation until the compensation equals the maximum annual taxable earnings under the Federal Social Security Act. Thereafter, employees may contribute 6% of their compensation for the remainder of the calendar year. Contributions recorded to the pension plan from the Zoo were \$2,305,302 and \$2,384,609 for the years ended December 31, 2017 and 2016, respectively.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 9 EMPLOYEE BENEFIT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At December 31, 2017, the Zoo reported a liability of \$13,438,511 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016.

The Zoo's proportion of the net pension liability was based on the Zoo's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for ERS plan years ended September 30, 2017 and 2016. At December 31, 2017, the Zoo's proportion was 7.73597%, which increased from 7.58495%, the percentage used to allocate the liability as of December 31, 2016.

There were no changes in benefit terms during the ERS plan year ended September 30, 2017, that affected the measurement of total pension liability.

For the year ended December 31, 2017, the Zoo recognized pension expense of \$2,673,474.

	2017
Contributions Recorded to Pension Plan	\$ 2,305,302
Pension Expense Related to Deferred Inflows and Outflows	368,172
Total Pension Expense	\$ 2,673,474

At December 31, 2017, the Zoo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 318,357
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	146,254	-
Changes in Proportion and Differences Between Zoo Contributions and Proportionate Share of Contributions	254,116	-
Zoo Contributions Subsequent to the Measurement Date	604,242	-
Total	\$ 1,004,612	\$ 318,357

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 9 EMPLOYEE BENEFIT PLANS (CONTINUED)

The \$604,242 reported as deferred outflows of resources related to pensions resulting from the Zoo's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Zoo's fiscal year following ERS' fiscal year as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2018	\$ 510,872
2019	708,865
2020	(669,039)
2021	(468,685)
Total	<u>\$ 82,013</u>

Actuarial assumptions used to determine contribution rates

The following are the actuarial assumptions used to determine contributions rates and the entry age normal cost method, applied to all periods included in the measurements as of the October 1, 2016 measurement date:

Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the plan year
Inflation	2.50%
Salary Increases	3.00% plus merit component based on employee's years of service
Discount Rate	7.50%
Amortization Growth Rate	3.00%
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Five-year smoothing
Amortization Method	Fixed 20-year period as of October 1, 2015, as a level percentage of payroll. Future gains and losses and changes in actuarial assumptions will be amortized in layers over separate 20-year periods

Mortality rates were based on the RP-2000 Healthy Mortality three-year set-forward with generational projections using Scale AA. The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the last's capital market assumptions. Specifically, the System uses Summit Strategies Group capital market assumption in analyzing the System's asset allocation.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 9 EMPLOYEE BENEFIT PLANS (CONTINUED)

The assumptions and the Systems' formal policy for asset allocation are shown below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap	17.00%	7.30%
Small Cap	4.00%	7.00%
International Large Cap	15.30%	7.30%
Emerging Markets	6.20%	9.30%
High Yield	5.00%	5.30%
Master Limited Partnerships	7.50%	10.80%
Private Equity	5.00%	9.80%
Core Fixed Income	12.50%	3.80%
International Fixed Income	4.00%	3.50%
Core Real Estate	10.00%	6.50%
Treasury Inflation Protected Securities	3.50%	3.50%
Hedge Funds	10.00%	5.00%
Totals	100.00%	

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to the expected long-term real return and reflecting expected volatility and correlation.

Actuarial assumptions and methods used to calculate the total pension liability as of September 30, 2017:

Inflation Assumption	2.50%
Standard Deviation	10.00%
Administrative Expenses	0.30% of covered payroll
Municipal Bond Yield	3.64% as of September 30, 2017
	Bond-Buyer 20-Bond GO Index, September 28, 2017
Long-Term Expected Rate of Return	7.50% net of investment expenses as of September 30, 2017
Discount Rate	7.50% as of September 30, 2017

Discount Rate – The discount rate used to measure the total pension liability was 7.50% as of September 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from System members will be made at the current contribution rate. Based on these assumptions, the System's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of investment expenses but without reduction for administrative expenses.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 9 EMPLOYEE BENEFIT PLANS (CONTINUED)

Sensitivity – The following presents the Zoo's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Zoo's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Zoo's Proportionate Share of the Net Pension Liability	\$ 21,092,287	\$ 13,438,511	\$ 6,890,165

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report.

Payables to the Pension Plan – As of December 31, 2017, there were no amounts payable to ERS.

Deferred Compensation Plan

The Saint Louis Zoo has a deferred compensation plan administered that covers all full-time employees. Participants may contribute and defer part of their compensation on a pre-tax basis in accordance with Section 457 of the Internal Revenue Code. For 2017, a participant's annual contribution is limited to the lesser of \$18,000 or 100% of the participant's annual compensation. Participants are permitted to make additional deferrals of income for one or more of the last three tax years that end before normal retirement age. The allowable deferral for such participant is increased, up to a limit of twice the standard dollar amount for the year, by the amount of allowable deferrals not made in any previous plan years. Alternatively, individuals age 50 or over may make additional catch-up contributions as defined under Section 457, with certain limitations during the last three years of employment prior to attaining normal retirement age. Benefits under this plan are payable only in the event of separation from service or unforeseeable emergency resulting in severe financial hardship. The plans are administered by third parties.

Supplemental Benefits

The Zoo paid supplemental compensation of \$154,843 to a key officer of the Zoo during the year ended December 31, 2017. An employment agreement with this same key officer provides for the Zoo to make an annual supplemental compensation payment. This amount is not certain and is to be negotiated and determined annually by the Zoo's Board of Commissioners. The key officer is not eligible for this future supplemental compensation payment if he ceases employment with the Zoo.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 10 UNEARNED SUPPORT AND INCOME

The Zoo and Association are periodically awarded grants or contributions from various institutions, private foundations, corporations, and individuals, the use of which is usually designated for specified research and educational programs or activities. However, some donors make contributions without designating the funds for specific initiatives. In these instances the use of funds is designated at the discretion of Zoo management. Grants and designated contributions are initially deferred when received. The grants are subsequently recognized as contribution revenue when expenditures are incurred relating to the designated purpose or activity. The Association deferred income of \$104,480 as of December 31, 2017, consists primarily of prepaid sponsorships. Income from these sponsorships is recognized in the period in which the event occurs. The Zoo recognizes revenue and expenses in accordance with GASB 33. Unearned revenue of \$444,542 primarily represent grants awarded to the Zoo which have not been expended as of December 31, 2017.

NOTE 11 NET POSITION

Net positions are displayed in the components as follows:

Zoo

Invested in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements, if any, of those assets.

Zoo and Association

Unrestricted – This consists of net position that do not meet the definition of “restricted” or “invested in capital assets.” The Board of the Association has designated \$20,293,014 of certain unrestricted donor gifts or gifts transferred in from the Zoo as board designated as more fully described in Note 15.

Zoo	\$ 357,673
Association Non-Endowment	41,009,071
Association Board Designated	20,293,014
Association Unrestricted Net Position	<u>61,302,085</u>
 Total Unrestricted Net Position	 <u>\$ 61,659,758</u>

Association

Restricted Nonexpendable – This consists of net positions that are legally restricted by outside donors. These nonexpendable funds are permanently restricted Association endowment funds and will be restricted in perpetuity by the donor as more fully described in Note 15. These nonexpendable funds total \$32,586,774

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 11 NET POSITION (CONTINUED)

Association (Continued)

Restricted Expendable – This consists of net positions that are legally restricted by outside donors or by law through constitutional provisions or enabling legislation. The Association's expendable funds are temporarily restricted donations restricted by outside donors for a specific purpose, primarily capital projects. These net positions will be released upon meeting that specific purpose. The Association endowment funds' temporarily restricted net positions are related to the income earned on the permanently restricted net position that is restricted for educational programs, animal health and welfare, conservation and research activities, endowed positions, and institutional operations. See Note 15. These net positions will be released when appropriated for expenditures. Temporarily restricted net position total \$6,985,745 and \$20,034,444 for the Association non-endowed and endowed funds, respectively, as of December 31, 2017.

The Zoo and Association first applies resources in restricted net position when an expense or outlay is incurred for purposes for which resources in both restricted and unrestricted net positions are available.

NOTE 12 POST-EMPLOYMENT OBLIGATIONS

The Zoo has several post-separation employment agreements in place with key officers and one former retired key officer. Generally accepted accounting principles require the recording of such obligations over the period that the key officer is employed with the Zoo. The terms of these agreements require payments to the key officer upon their separation or retirement from the Zoo ranging from three to eleven years. The amount of post-separation employment obligations in the Zoo's statement of net position is \$556,079 as of December 31, 2017, its estimated net present value. The liability related to these post-separation employment obligations increased \$1,287 for the year ended December 31, 2017.

NOTE 13 CONTINGENCIES

The Zoo is a defendant in various claims and legal actions arising in the ordinary course of its operations. In the opinion of management, all such matters are adequately covered by insurance or, if not so covered, are without merit or involve such amounts that unfavorable disposition would not have a material effect on the financial statements of the Saint Louis Zoo.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 14 SERVICE AGREEMENT COMMITMENTS

The Zoo has entered into certain equipment and service agreements with various expiration dates. The expense associated with these service agreements totaled \$304,908 for the year ended December 31, 2017.

Future minimum payments are as follows at December 31, 2017:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 233,567
2019	86,933
2020	43,169
2021	21,360
2022	17,690
Total	<u>\$ 402,719</u>

NOTE 15 ASSOCIATION NET POSITION

The Association consists of individual funds established for a variety of purposes. The Association includes both unrestricted and donor-restricted funds. As required by generally accepted accounting principles, net position in the Association is classified and accounted for based on the existence or absence of donor-imposed restrictions.

The Association also includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net position associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 15 ASSOCIATION NET POSITION (CONTINUED)

Association net position composition by type of net position for non-endowment funds as of December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Association Non-Endowment Net Position - Beginning of Year	\$ 32,455,030	\$ 3,347,973	\$ 35,803,003
Investment Earnings	1,412,377	-	1,412,377
Operating Revenues	11,467,187	-	11,467,187
Contributions, Net of Write-Offs	5,232,234	6,402,110	11,634,344
Net Position Released	2,764,338	(2,764,338)	-
Appropriations for:			
Operations	8,227,863	-	8,227,863
Transfers to Zoo	4,094,232	-	4,094,232
Total Appropriations for Expenditures	<u>12,322,095</u>	<u>-</u>	<u>12,322,095</u>
Association Non-Endowment Net Position - End of Year	<u>\$ 41,009,071</u>	<u>\$ 6,985,745</u>	<u>\$ 47,994,816</u>

Interpretation of Relevant Law

For endowment funds, the Board of Directors of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association's endowment funds classify permanently restricted net position as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 15 ASSOCIATION NET POSITION (CONTINUED)

Interpretation of Relevant Law (Continued)

Association net position composition by type of net position for endowment funds as of December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 20,034,444	\$ 32,586,774	\$ 52,621,218
Board-Designated Endowment Funds	<u>20,293,014</u>	<u>-</u>	<u>-</u>	<u>20,293,014</u>
Total Endowment Funds	<u>\$ 20,293,014</u>	<u>\$ 20,034,444</u>	<u>\$ 32,586,774</u>	<u>\$ 72,914,232</u>

Changes in the Association net position for endowment funds for the year ended December 31, 2017:

	<u>Unrestricted</u>		<u>Temporarily Donor- Restricted</u>	<u>Permanently Donor- Restricted</u>	<u>Total</u>
	<u>General</u>	<u>Board Designated</u>			
Association Endowment Funds Net Position - Beginning of Year	\$ -	\$ 16,665,353	\$ 11,757,457	\$ 32,251,851	\$ 60,674,661
Investment Return:					
Investment Income	-	-	928,596	-	928,596
Net Appreciation (Realized and Unrealized)	<u>-</u>	<u>-</u>	<u>9,028,802</u>	<u>-</u>	<u>9,028,802</u>
Total Investment Return	-	-	9,957,398	-	9,957,398
Contributions	-	3,627,661	-	334,923	3,962,584
Appropriations for:					
Endowment Distribution	-	-	1,010,000	-	1,010,000
Operations	<u>-</u>	<u>-</u>	<u>670,411</u>	<u>-</u>	<u>670,411</u>
Total Appropriations for Expenditures	<u>-</u>	<u>-</u>	<u>1,680,411</u>	<u>-</u>	<u>1,680,411</u>
Association Endowment Funds Net Position - End of Year	<u>\$ -</u>	<u>\$ 20,293,014</u>	<u>\$ 20,034,444</u>	<u>\$ 32,586,774</u>	<u>\$ 72,914,232</u>

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 15 ASSOCIATION NET POSITION (CONTINUED)

Interpretation of Relevant Law (Continued)

Description of amounts classified as permanently restricted net position of the Association as of December 31, 2017, is as follows:

Permanently Restricted Net Position

(1) The portion of perpetual endowment funds that is required to be retained permanently by explicit donor stipulation

\$ 32,586,774

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Association endowment fund assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Association Board of Directors, the assets are divided into the Short-Term pool, Capital Appreciation, and Capital Preservation categories. The Short-Term pool consists of cash and treasury bills and treasury index funds. The Capital Appreciation (target 70%) is comprised mostly of equity funds with \$13,759,578, or 24%, of alternative investment funds. The Capital Preservation (target 30%) includes some fixed income with \$13,335,723, or 60%, of alternative investment funds.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association has a policy of appropriating for distribution each year up to 5% of the Association endowment fund assets based on a 5-year trailing average. In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, over the long term, the Association expects the current spending policy to allow its endowment to grow at an average of 3.5% annually. For the year ended December 31, 2017, the Association approved a distribution of 3%. This is consistent with the organization's objective to maintain the purchasing power of the Association assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 16 FAIR VALUE MEASUREMENT

The fair values of significant financial assets and liabilities that are measured on a recurring basis for the Association at December 31, 2017 are as follows:

	Association			
	Fair Value Measurements at Reporting Date Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
	(Level 1)	(Level 2)	(Level 3)	Fair Value
Investments:				
Money Market Funds	\$ 605,805	\$ -	\$ -	\$ 605,805
U.S. Govt. Obligations	1,027,165	1,989,259	-	3,016,424
Corporate Obligations	-	5,227,108	-	5,227,108
Foreign Issues	-	716,917	-	716,917
Municipal Issues	-	663,594	-	663,594
Mutual Funds	48,351,274	-	-	48,351,274
Investments at Fair Value	<u>\$ 49,984,244</u>	<u>\$ 8,596,878</u>	<u>\$ -</u>	<u>58,581,122</u>
Alternative Investments at NAV				27,095,301
Total Investments				<u>\$ 85,676,423</u>
Other Assets and Liabilities:				
Pledge Receivables - Current	\$ -	\$ 4,474,842	\$ -	\$ 4,474,842
Pledge Receivables - Noncurrent	-	6,359,524	-	6,359,524
Beneficial Interest in a Trust Agreement	-	-	223,989	223,989
Obligation Under Trust Agreement	-	-	(54,798)	(54,798)
Gift Annuities - Other Liabilities	-	(2,274,280)	-	(2,274,280)

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and financial liabilities valued using Level 2 are based on inputs other than quoted prices (interest rates) that are observable for the financial asset or liability.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 16 FAIR VALUE MEASUREMENT (CONTINUED)

The following table sets forth a summary of changes in the fair value of the Association's Level 3 assets for the year ended December 31, 2017:

	Beneficial Interest in a Trust Agreement	Obligation Under Trust Agreements
January 1, 2017	\$ 206,901	\$ (61,204)
Net Purchases (Sales)	(17,304)	-
Distributions	(14,375)	-
Change in Value	-	6,406
Trust Fees	(4,828)	-
Unrealized and Realized Gains	53,595	-
December 31, 2017	<u>\$ 223,989</u>	<u>\$ (54,798)</u>

Assets Measured Using Net Asset Value

Investments that are measured at net asset value per share as of December 31, 2017:

2017 Investment	2017 Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Archipelago Holdings, Ltd.	\$ 3,247,856	\$ -	Quarterly	45 days
Brandywine Global Investment Management Trust: Global Opportunistic Fixed Income Fund	1,983,729	-	Daily	10 days
Forester Offshore Ltd.	2,170,331	-	Annual	95 days
IR&M Intermediate Fund LLC	6,882,046	-	Daily	2 days
Wellington Trust Company, NA CTF Diversified Inflation Hedges Portfolio	2,972,604	-	Quarterly	45 days
Anchorage Capital Partners Offshore LTD.	1,442,455	-	Bi-Annual	45 days
Davidson Kempner International LTD	1,464,025	-	Quarterly	60 days
HBK Multi-Strategy Offshore Fund Ltd.	1,563,451	-	Quarterly	90 days
The Kiltearn Global Equity Fund	<u>5,368,804</u>	-	Monthly	6 days
Total Investments Measured at NAV	<u>\$ 27,095,301</u>			

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 16 FAIR VALUE MEASUREMENT (CONTINUED)

The following table briefly describes the investment objectives of each investment measured at net asset value at December 31, 2017:

Investment	Type of Fund	Underlying Strategies
Archipelago Holdings, Ltd.	Hedge fund of fund	Seeks long-term capital appreciation through investment in a number of long/short equity hedge funds offered by Wellington Hedge Management.
Brandywine Global Investment Management Trust: Global Opportunistic Fixed Income Fund	Commingled Fund	Global Bonds- Seeks to outperform the Barclays Global Aggregate Bond Index.
Forester Offshore Ltd.	Hedge fund of fund	Hedge fund of fund seeks to provide investors with maximum appreciation of capital while incurring reasonable risk by investing with a diversified group of hedge fund managers that Forester believes to be highly skilled and the best available.
IR&M Intermediate Fund LLC	Commingled Fund	U.S. Intermediate Bonds- Tracks the Barclays Intermediate Gov/Credit Index.
Wellington Trust Company, NA CTF Diversified Inflation Hedges Portfolio	Commingled Fund	The Diversified Inflation Hedges Portfolio seeks long-term returns consistent with US CPI +5% by investing in areas expected to offer strong relative performance in rising inflation environments.
Anchorage Capital Partners Offshore LTD.	Hedge Fund	Hedge Fund that invests across the capital structure on a long and short basis and is comprised of bank debt, bonds/swaps, structured credit, and distressed/post re-org equity.
Davidson Kempner International LTD	Hedge Fund	Multi-strategy fund that is comprised of the following underlying strategies: merger arbitrage, distressed situations strategies, event driven, long/short equities, convertible, and volatility arbitrage strategies.
HBK Multi-Strategy Offshore Fund Ltd.	Hedge Fund	Multi-Strategy fund that is broken out into the following strategies: Corporate Credit, Non-Corporate Credit, Event or Spread Driven Equities, Relative Value Equities, Volatility/Quantitative Strategies, and Developed Markets Fixed Income.
The Kiltearn Global Equity Fund	Commingled Fund	The Kiltearn Global Equity Fund is a value-oriented strategy designed to find the stocks with the greatest discount to intrinsic value across the globe.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 17 INCOME TAXES

The Association has adopted ASC 740-10, *Accounting for Uncertainty in Income Taxes*, as it relates to uncertain tax positions and has evaluated their tax positions taken for all open tax years. Currently, the 2014 and subsequent tax years are open and subject to examination by the Internal Revenue Service for the Association. However, the Association is not currently under audit nor have they been contacted by this jurisdiction.

Based on the evaluation of the Association’s tax position, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded as of December 31, 2017.

The tax exempt status of the Zoo and the Association are disclosed in Note 1.

NOTE 18 TAX ABATEMENTS

The Zoo subdistrict recognizes tax revenue based on an allocation of property taxes levied and collected by the Zoo-Museum District. The Zoo-Museum District levies and collects property taxes on behalf of the subdistricts based on the assessed valuation of property in St. Louis City and St. Louis County. Both St. Louis City and St. Louis County have entered into property tax abatement agreements with local business under various state statutes. Under these state statutes, St. Louis City and St. Louis County may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The Zoo subdistrict’s allocated tax revenues were reduced under these agreements entered into by the City of St. Louis and St. Louis County. The reduction in tax revenues due to these abatements to the Zoo subdistrict are as follows for the year ended December 31, 2016:

City of St. Louis	\$ 294,000
St. Louis County	<u>171,000</u>
Total	<u><u>\$ 465,000</u></u>

Information regarding reduction in tax revenues due to abatements to the Zoo subdistrict for year ended December 31, 2017 were unavailable.

NOTE 19 SUBSEQUENT EVENTS

Subsequent to December 31, 2017, the Association entered into a purchase sale agreement with the United Association of Plumbers and Pipefitters Local 562 to purchase the union’s 425-acre complex in north St. Louis County for \$7.1 million, using privately donated funds. Pending a due diligence assessment, the Association will purchase the property as part of its long-range plan to help the Zoo’s mission to conserve animals.

The Saint Louis Zoo has evaluated subsequent events through March 29, 2018, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 YEAR ENDED DECEMBER 31, 2017**

Schedule of the Zoo's Proportionate Share of the Net Pension Liability

	12/31/2017*	12/31/2016**	12/31/2015***
Zoo's proportion of the net pension liability	7.74%	7.58%	7.45%
Zoo's proportionate share of the net pension liability	\$ 13,438,511	\$ 15,870,903	\$ 16,915,987
Zoo's covered-employee payroll	\$ 18,637,840	\$ 17,409,254	\$ 18,858,319
Zoo's proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.10%	91.16%	89.70%
Plan fiduciary net position as a percentage of the total pension liability	82.46%	78.50%	76.22%

*The amounts presented for fiscal year were determined as of 9/30/2017.
 **The amounts presented for fiscal year were determined as of 9/30/2016.
 ***The amounts presented for fiscal year were determined as of 9/30/2015.

Note: This schedule is intended to show information for ten years.
 Additional years will be displayed as they become available.

Schedule of Contributions

	12/31/2017*	12/31/2016**	12/31/2015***
Contractually Required Contribution	\$ 2,303,941	\$ 2,436,862	\$ 2,639,257
Contributions in Relation to the Contractually Required Contribution	(2,303,941)	(2,436,862)	(2,639,257)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Zoo's Covered-Employee Payroll	\$ 18,637,840	\$ 17,409,254	\$ 18,858,319
Contributions as a Percentage of Covered Employee Payroll	12.36%	14.00%	14.00%

Note: This schedule is intended to show information for ten years.
 Additional years will be displayed as they become available.

*The amounts presented for fiscal year were determined as of 9/30/2017.
 **The amounts presented for fiscal year were determined as of 9/30/2016.
 ***The amounts presented for fiscal year were determined as of 9/30/2015.

Notes to Schedules of Employer's Share of Net Pension Liability and Contributions

There were no changes in benefit terms or assumptions in the plan for the year ended September 30, 2017.

Contribution rates to ERS for the Zoo were:

January 1 - June 30, 2015	13.86%
July 1 - December 31, 2015	13.81%
January 1 - June 30, 2016	13.81%
July 1 - December 31, 2016	12.43%
January 1 - June 30, 2017	12.43%
July 1 - December 31, 2017	12.13%

SUPPLEMENTARY INFORMATION – AUDITED

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 SCHEDULE OF OTHER OPERATION REVENUES AND EXPENDITURES
 YEAR ENDED DECEMBER 31, 2017
 (WITH COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE
 YEARS ENDED DECEMBER 31, 2017 AND 2016)**

	2017		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
OTHER OPERATING REVENUES				
Endocrinology Lab Fees	\$ 83,872	\$ -	\$ 83,872	\$ 60,019
Miscellaneous Income	1,200,173	7,409	1,195,582	684,393
Total Other Operating Revenues	\$ 1,284,045	\$ 7,409	\$ 1,279,454	\$ 744,412
OTHER OPERATING EXPENDITURES				
Staff Benefits and Development	\$ 206,347	\$ -	\$ 206,347	\$ 197,308
Loss on Stock Gift/Fees/Commissions	-	86,430	86,430	129,612
Machinery and Equipment Purchases (Non-Capitalizable)	201,341	2,556	203,897	135,697
Dues/Subscriptions/Registration Fees	122,652	22,048	144,700	143,727
Rentals	-	56,679	56,679	59,842
Creative Development	-	7,000	7,000	3,539
Grant Expenses	120,102	-	120,102	155,302
Pledge Discount/Bad Debt Expense	-	80,621	80,621	417,740
Gift Annuity Expense	-	199,249	199,249	179,518
Entertainment	-	297,530	297,530	153,604
Traveling Exhibit Services	409,020	-	409,020	408,338
Other Outside Services	340,057	-	340,057	362,665
Contribution Expense	-	500,000	500,000	-
Miscellaneous	565,202	75,411	628,613	495,582
Total Other Operating Expenditures	\$ 1,964,721	\$ 1,327,524	\$ 3,280,245	\$ 2,842,474

* Comparative totals are unaudited and eliminations have been made for transactions between the primary government and its discretely presented component unit.

ADDITIONAL SUPPLEMENTARY INFORMATION – UNAUDITED

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF NET POSITION (UNAUDITED)
 DECEMBER 31, 2017
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016)**

	2017	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
ASSETS AND DEFERRED OUTFLOW OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents (Note 3)	\$ 2,077,006	\$ 22,126,384
Due from Zoo Museum District, Net (Note 1)	16,457,613	-
Pledges Receivable, Net (Note 6)	-	4,474,842
Miscellaneous Receivables	104,442	1,158,713
Due from Component Unit, Net (Note 2)	337,494	3,181,246
Inventories	747,535	12,789
Prepaid Expenses	426,968	72,136
Accrued Interest Receivable	-	59,818
	20,151,058	31,085,928
LONG-TERM INVESTMENTS (NOTE 3)	-	85,676,423
BENEFICIAL INTEREST IN A TRUST AGREEMENT (NOTE 5)	-	223,989
PLEDGES RECEIVABLE, NONCURRENT, NET (NOTE 6)	-	6,359,524
OTHER ASSETS (NOTE 7)	-	1,308,237
PROPERTY AND EQUIPMENT (NOTE 8)	114,603,964	-
DEFERRED OUTFLOW OF RESOURCES (NOTE 9)	1,004,612	-
Total Assets and Deferred Outflow of Resources	\$ 135,759,634	\$ 124,654,101

<u>2017</u>		
<u>Eliminating Entries</u>	<u>Combined Total</u>	<u>2016</u>
\$ -	\$ 24,203,390	\$ 21,947,421
-	16,457,613	15,455,486
-	4,474,842	1,825,880
-	1,263,155	1,868,659
(3,518,740)	-	-
-	760,324	722,174
-	499,104	544,051
-	59,818	50,306
(3,518,740)	47,718,246	42,413,977
-	85,676,423	69,663,202
-	223,989	206,901
-	6,359,524	5,107,730
-	1,308,237	1,308,237
-	114,603,964	118,645,707
-	1,004,612	3,935,851
<u>\$ (3,518,740)</u>	<u>\$ 256,894,995</u>	<u>\$ 241,281,605</u>

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF NET POSITION (UNAUDITED) (CONTINUED)
 DECEMBER 31, 2017
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016)**

	2017	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,686,944	\$ 606,108
Accrued Expenses and Other Liabilities (Note 1)	1,172,318	635,509
Due to Component Unit, Net (Note 2)	3,181,246	337,494
Deferred Support and Income (Note 10)	444,542	104,480
Total Current Liabilities	6,485,050	1,683,591
OTHER LIABILITIES (NOTE 1)	-	2,006,664
OBLIGATION UNDER TRUST AGREEMENT (NOTE 5)	-	54,798
POST-EMPLOYMENT OBLIGATIONS (NOTE 12)	556,079	-
NET PENSION LIABILITY (NOTE 9)	13,438,511	-
DEFERRED INFLOW OF RESOURCES (NOTE 9)	318,357	-
Total Liabilities and Deferred Inflow of Resources	20,797,997	3,745,053
NET POSITION (NOTE 11 AND NOTE 15)		
Invested in Capital Assets	114,603,964	-
Restricted for:		
Expendable		
Endowment - Donor Restricted	-	20,034,444
Capital Projects - Donor Restricted	-	6,985,745
Nonexpendable		
Endowment - Donor Restricted	-	32,586,774
Unrestricted	357,673	61,302,085
Total Net Position	114,961,637	120,909,048
Total Liabilities, Deferred Inflow of Resources and Net Position	\$ 135,759,634	\$ 124,654,101

2017		
Eliminating Entries	Combined Total	2016
\$ -	\$ 2,293,052	\$ 2,876,075
-	1,807,827	1,587,448
(3,518,740)	-	-
-	549,022	451,824
(3,518,740)	4,649,901	4,915,347
-	2,006,664	1,904,595
-	54,798	61,204
-	556,079	554,792
-	13,438,511	15,870,903
-	318,357	449,032
(3,518,740)	21,024,310	23,755,873
-	114,603,964	118,645,707
-	20,034,444	11,757,457
-	6,985,745	3,347,973
-	32,586,774	32,251,851
-	61,659,758	51,522,744
-	235,870,685	217,525,732
<u>\$ (3,518,740)</u>	<u>\$ 256,894,995</u>	<u>\$ 241,281,605</u>

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF ACTIVITIES AND
 CHANGES IN NET POSITION (UNAUDITED)
 YEAR ENDED DECEMBER 31, 2017**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016)

	2017	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
OPERATING REVENUES		
Food and Beverage	\$ 11,910,297	\$ -
Contributions	-	11,634,344
Membership Dues and Parent Program	-	4,861,140
Retail	5,433,219	-
Parking Lot	3,751,387	-
Attractions	2,995,346	-
Sponsorship and Event	214,050	1,516,421
Other	1,284,045	7,409
Marlin Perkins Society	-	2,264,268
Education	1,582,285	-
Children's Zoo	705,799	-
ZOOFARI and A ZOO ADO	-	1,017,949
Visitor Relations	290,779	-
Sea Lion Show	432,542	-
Sales and Catering	489,238	-
WildCare Institute	167,855	-
Total Operating Revenues	29,256,842	21,301,531
OPERATING EXPENSES		
Salaries and Wages	23,596,612	4,072,076
Fringe Benefits	6,711,204	545,101
Merchandise	5,474,562	16,217
Animal Food and Medical Care	1,151,931	-
Utilities	2,917,346	1,510
Supplies	1,344,996	827,416
Property and Liability Insurance	672,934	36,000
Computer and IT Maintenance	478,059	75,564
Financial Institution Charges	15,983	400,485
Donor and Member Recognition	-	328,794
Postage	41,443	280,721
Service Fees	486,070	25,888
Other Operating Expenditures	1,964,721	1,327,524
Conservation and Research	863,393	-
Travel	250,624	19,542
Legal/Audit/Consulting	438,690	396,189
Repairs and Maintenance	1,170,847	-
Printing and Graphics	158,016	437,194
Marketing	1,718,286	108,053
Animal Sales and Purchases, Net	95,013	-
Major Expense	429,944	-
Depreciation (Note 8)	11,293,571	-
Total Operating Expenses	61,274,245	8,898,274
Operating Income (Loss)	(32,017,403)	12,403,257

2017

2017		2016	
Eliminating Entries	Combined Total		
\$ -	\$ 11,910,297	\$ 11,566,520	
-	11,634,344	2,911,644	
-	4,861,140	4,656,222	
-	5,433,219	5,127,857	
-	3,751,387	3,671,778	
-	2,995,346	3,009,513	
-	1,730,471	1,603,858	
(12,000)	1,279,454	744,412	
-	2,264,268	2,042,368	
-	1,582,285	1,655,985	
-	705,799	814,305	
-	1,017,949	549,694	
-	290,779	259,259	
-	432,542	446,287	
-	489,238	468,822	
-	167,855	219,058	
(12,000)	50,546,373	39,747,582	
-	27,668,688	26,202,147	
-	7,256,305	7,548,250	
-	5,490,779	5,165,467	
-	1,151,931	1,039,570	
-	2,918,856	3,093,641	
-	2,172,412	1,967,167	
-	708,934	685,960	
-	553,623	408,604	
-	416,468	357,733	
-	328,794	221,971	
-	322,164	338,717	
-	511,958	434,498	
(12,000)	3,280,245	2,842,474	
-	863,393	832,119	
-	270,166	223,557	
-	834,879	1,030,952	
-	1,170,847	1,068,498	
-	595,210	631,320	
-	1,826,339	1,522,700	
-	95,013	121,510	
-	429,944	630,568	
-	11,293,571	10,252,309	
(12,000)	70,160,519	66,619,732	
-	(19,614,146)	(26,872,150)	

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF ACTIVITIES AND
 CHANGES IN NET POSITION (UNAUDITED) (CONTINUED)
 YEAR ENDED DECEMBER 31, 2017
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016)**

	2017	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
NONOPERATING REVENUES (EXPENSES)		
Loss on Disposal of Property and Equipment	\$ (37,675)	\$ -
Tax Revenue, Net (Note 1)	22,632,098	-
Investment Income (Loss)	32,317	11,369,775
Bequest and Endowment Contributions	-	3,962,584
Other Contributions/Grants	-	-
Total Nonoperating Revenues	<u>22,626,740</u>	<u>15,332,359</u>
Income (Loss) Before Transfers of Contributions	(9,390,663)	27,735,616
TRANSFERS OF CONTRIBUTIONS		
Parent Program	409,546	(409,546)
Capital Projects	3,348,044	(3,348,044)
WildCare Institute	300,642	(300,642)
Endowment Distribution (Note 15)	1,010,000	(1,010,000)
Carousel	36,000	(36,000)
Shared Services (Note 1)	(1,800,000)	1,800,000
Total Transfers of Contributions	<u>3,304,232</u>	<u>(3,304,232)</u>
CHANGES IN NET POSITION	(6,086,431)	24,431,384
Net Position - Beginning of Year	<u>121,048,068</u>	<u>96,477,664</u>
NET POSITION - END OF YEAR	<u>\$ 114,961,637</u>	<u>\$ 120,909,048</u>

2017			
Eliminating Entries	Combined Total		2016
\$ -	\$ (37,675)	\$	(18,500)
-	22,632,098		21,735,685
-	11,402,092		4,459,375
-	3,962,584		6,136,287
	-		12,060
-	37,959,099		32,324,907
-	18,344,953		5,452,757
-	-		-
-	-		-
-	-		-
-	-		-
-	-		-
-	-		-
-	18,344,953		5,452,757
-	217,525,732		212,072,975
\$ -	\$ 235,870,685	\$	217,525,732

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF CASH FLOWS (UNAUDITED)
 YEAR ENDED DECEMBER 31, 2017
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016)**

	2017	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Patrons/Contributors	\$ 29,449,050	\$ 19,813,337
Cash Paid to Employees and Suppliers	(52,065,453)	(8,606,294)
Cash Received from (Paid to) Component Unit for Operations	3,868,628	(3,868,628)
Net Cash Provided (Used) by Operating Activities	<u>(18,747,775)</u>	<u>7,338,415</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Property Tax Assessments	21,629,971	-
Cash Contributions Received for Board Restricted	-	3,627,664
Cash Contributions Received for Permanent Endowment	-	334,923
Net Cash Provided by Noncapital Financing Activities	<u>21,629,971</u>	<u>3,962,587</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Received from (Paid to) Component Unit for Property and Equipment	3,848,044	(3,848,044)
Payments for Property and Equipment	(7,289,500)	-
Cash Received from Grants	-	-
Net Cash Used by Capital and Related Financing Activities	<u>(3,441,456)</u>	<u>(3,848,044)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Maturities and Sales	-	8,350,000
Investment Purchases	-	(13,168,920)
Cash Received from Investment Earnings	32,317	148,874
Net Cash Provided (Used) by Investing Activities	<u>32,317</u>	<u>(4,670,046)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(526,943)	2,782,912
Cash and Cash Equivalents – Beginning of Year	<u>2,603,949</u>	<u>19,343,472</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u><u>\$ 2,077,006</u></u>	<u><u>\$ 22,126,384</u></u>

2017		
Eliminating Entries	Combined Total	2016
\$ -	\$ 49,262,387	\$ 44,987,357
-	(60,671,747)	(57,252,688)
-	-	-
-	(11,409,360)	(12,265,331)
-	21,629,971	21,321,928
-	3,627,664	5,128,381
-	334,923	1,007,909
-	25,592,558	27,458,218
-	-	-
-	(7,289,500)	(9,799,501)
-	-	12,060
-	(7,289,500)	(9,787,441)
-	8,350,000	5,319,313
-	(13,168,920)	(8,068,888)
-	181,191	258,905
-	(4,637,729)	(2,490,670)
-	2,255,969	2,914,776
-	21,947,421	19,032,645
\$ -	\$ 24,203,390	\$ 21,947,421

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)
 YEAR ENDED DECEMBER 31, 2017
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016)**

	2017	
	Primary Government <u>Saint Louis Zoological Subdistrict</u>	Component Unit <u>Saint Louis Zoo Association</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (32,017,403)	\$ 12,403,257
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	11,293,571	-
Transfers of Shared Services	(1,800,000)	1,800,000
Due to/from Component Unit	3,868,628	(3,868,628)
(Increase) Decrease in Assets:		
Pledges Receivable	-	(3,900,756)
Miscellaneous Receivables	80,584	524,918
Inventories	(42,065)	3,915
Prepaid Expenses	6,377	38,570
Other Assets	-	-
Increase in Deferred Outflows of Resources	2,931,239	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(826,873)	243,850
Accrued Expenses and Other Current Liabilities	208,328	114,120
Post-Employment Obligations	1,287	-
Obligation Under Trust Agreement	-	(6,406)
Net Pension Liability	(2,432,392)	-
Unearned Support and Income	111,619	(14,425)
Decrease in Deferred Inflows of Resources	(130,675)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (18,747,775)</u>	<u>\$ 7,338,415</u>

<u>2017</u>			
<u>Eliminating Entries</u>	<u>Combined Total</u>	<u>2016</u>	
\$ -	\$ (19,614,146)	\$ (26,872,150)	
-	11,293,571	10,252,309	
-	-	-	
-	-	-	
-	(3,900,756)	3,651,062	
-	605,502	(1,062,023)	
-	(38,150)	70,827	
-	44,947	(160,189)	
-	-	169,338	
-	2,931,239	1,987,965	
-	(583,023)	527,030	
-	322,448	353,966	
-	1,287	(25,223)	
-	(6,406)	(10,725)	
-	(2,432,392)	(1,045,084)	
-	97,194	(27,282)	
-	(130,675)	(75,152)	
<u>\$ -</u>	<u>\$ (11,409,360)</u>	<u>\$ (12,265,331)</u>	

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED OTHER OPERATING REVENUES
 AND EXPENDITURES (UNAUDITED)
 YEAR ENDED DECEMBER 31, 2017
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016)**

	2017	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
OTHER OPERATING REVENUES		
Safari and Class Passes		
Endocrinology Lab Fees	\$ 83,872	\$ -
Miscellaneous Income	1,200,173	7,409
	<u>\$ 1,284,045</u>	<u>\$ 7,409</u>
OTHER OPERATING EXPENDITURES		
Staff Benefits and Development	\$ 206,347	\$ -
Loss on Stock Gift/Fees/Commissions	-	86,430
Machinery and Equipment Purchases (Non-Capitalizable)	201,341	2,556
Dues/Subscriptions/Registration Fees	122,652	22,048
Rentals	-	56,679
Creative Development	-	7,000
Grant Expenses	120,102	-
Pledge Discount/Bad Debt Expense	-	80,621
Gift Annuity Expense	-	199,249
Entertainment	-	297,530
Traveling Exhibit Services	409,020	-
Other Outside Services	340,057	-
Contribution Expense	-	500,000
Miscellaneous	565,202	75,411
	<u>\$ 1,964,721</u>	<u>\$ 1,327,524</u>
Total Other Operating Expenditures		

<u>2017</u>		
<u>Eliminating Entries</u>	<u>Combined Total</u>	<u>2016</u>
\$ -	\$ 83,872	\$ 60,019
<u>(12,000)</u>	<u>1,195,582</u>	<u>684,393</u>
<u>\$ (12,000)</u>	<u>\$ 1,279,454</u>	<u>\$ 744,412</u>
\$ -	\$ 206,347	\$ 197,308
-	86,430	129,612
-	203,897	135,697
-	144,700	143,727
-	56,679	59,842
-	7,000	3,539
-	120,102	155,302
-	80,621	417,740
-	199,249	179,518
-	297,530	153,604
-	409,020	408,338
-	340,057	362,665
-	500,000	-
<u>(12,000)</u>	<u>628,613</u>	<u>495,582</u>
<u>\$ (12,000)</u>	<u>\$ 3,280,245</u>	<u>\$ 2,842,474</u>

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2017
COMBINED 2017 ACTUAL VS. 2017 BUDGET COMPARISON (UNAUDITED)

	2017 Combined Actuals	2017 Combined Budget YTD	Over/(Under) Budget	% Change
*** ATTENDANCE ***	3,117,113	3,200,000	(82,887)	-2.59%
OPERATING REVENUES				
Food and beverage	\$ 11,910,297	\$ 11,010,949	\$ 899,348	8.17%
Contributions	11,634,344	2,007,000	9,627,344	479.69%
Gift shops	5,433,219	4,565,794	867,425	19.00%
WildCare Institute	167,855	95,000	72,855	76.69%
Attractions	2,995,346	2,895,091	100,255	3.46%
Parking lot	3,751,387	3,243,019	508,368	15.68%
Membership Dues and Parent Program	4,861,140	4,774,717	86,423	1.81%
ZOO FARI / A ZOO ADO	1,017,949	1,064,000	(46,051)	-4.33%
Marlin Perkins Society	2,264,268	1,900,000	364,268	19.17%
Children's Zoo	705,799	798,246	(92,447)	-11.58%
Sponsorship and event revenue	1,730,471	1,485,000	245,471	16.53%
Animal shows	432,542	495,268	(62,726)	-12.67%
Education	1,582,285	1,901,792	(319,507)	-16.80%
Visitor Relations	290,779	339,599	(48,820)	-14.38%
Sales and Catering	489,238	374,220	115,018	30.74%
Other	1,279,454	496,972	782,482	157.45%
Total Operating Revenues	<u>50,546,373</u>	<u>37,446,667</u>	<u>13,099,706</u>	<u>34.98%</u>
OPERATING EXPENSES				
Salaries and wages	27,668,688	26,633,995	1,034,693	3.88%
Fringe benefits	7,256,305	7,026,976	229,329	3.26%
Merchandise	5,490,779	5,116,290	374,489	7.32%
Animal food and medical care	1,151,931	1,178,456	(26,525)	-2.25%
Utilities	2,918,856	3,229,457	(310,601)	-9.62%
Supplies	2,172,412	2,349,817	(177,405)	-7.55%
Property and liability insurance	708,934	738,221	(29,287)	-3.97%
Other operating expenditures	3,280,245	2,639,188	641,057	24.29%
Conservation & Research	863,393	932,472	(69,079)	-7.41%
Travel	270,166	314,939	(44,773)	-14.22%
Financial institution charges	416,468	295,665	120,803	40.86%
Service fees	511,958	497,248	14,710	2.96%
Donor and Member Recognition	328,794	471,422	(142,628)	-30.25%
Computer & IT maintenance	553,623	596,198	(42,575)	-7.14%
Postage	322,164	390,310	(68,146)	-17.46%
Legal/Audit/Consulting	834,879	637,839	197,040	30.89%
Repairs and maintenance	1,170,847	1,158,434	12,413	1.07%
Printing and graphics	595,210	765,625	(170,415)	-22.26%
Marketing	1,826,339	1,759,868	66,471	3.78%
Animal sales and purchases, net	95,013	119,000	(23,987)	-20.16%
Major Expense	429,944	277,137	152,807	55.14%
Depreciation	11,293,571	12,500,000	(1,206,429)	-9.65%
Total Operating Expenses	<u>70,160,519</u>	<u>69,628,557</u>	<u>531,962</u>	<u>0.76%</u>
Operating Income (Loss)	<u>\$ (19,614,146)</u>	<u>\$ (32,181,890)</u>	<u>\$ 12,567,744</u>	<u>-39.05%</u>

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2017
 COMBINED 2017 ACTUAL VS. 2017 BUDGET COMPARISON (UNAUDITED) (CONTINUED)**

	2017 Combined Actuals	2017 Combined Budget YTD	Over/(Under) Budget	% Change
NONOPERATING REVENUES				
Loss on Disposal of Property and Equipment	\$ (37,675)	\$ -	\$ (37,675)	0.00%
Tax Revenue (Net)	22,632,098	21,020,123	1,611,975	7.67%
Investment Income	11,402,092	3,981,000	7,421,092	186.41%
Bequest and Endowment Contributions	3,962,584	1,171,501	2,791,083	238.25%
Total Nonoperating Revenues	37,959,099	26,172,624	11,786,475	45.03%
Income (Loss) Before Contributions and Transfers	18,344,953	(6,009,266)	24,354,219	-405.28%
CONTRIBUTIONS AND TRANSFERS				
Transfer In (Zoo) - Program Contributions	1,158,087	772,372	385,715	49.94%
Transfer Out (Assn)- Program Contributions	(1,158,087)	(772,372)	(385,715)	49.94%
Transfer In (Zoo) - Capital Contributions	2,936,144	4,000,000	(1,063,856)	-26.60%
Transfer Out (Assn)- Capital Contributions	(2,936,144)	(4,000,000)	1,063,856	-26.60%
Transfer In (Zoo) - Endowment Harvest	1,010,000	1,010,000	-	0.00%
Transfer Out (Assn)- Endowment Harvest	(1,010,000)	(1,010,000)	-	0.00%
Transfer In (Zoo) - Shared Services	1,800,000	-	1,800,000	0.00%
Transfer Out (Assn)- Shared Services	(1,800,000)	-	(1,800,000)	0.00%
Total Contributions and Transfers	-	-	-	0.00%
CHANGES IN NET POSITION	\$ 18,344,953	\$ (6,009,266)	\$ 24,354,219	-405.28%

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET (UNAUDITED)**

ATTENDANCE

The Zoo fell below its targeted attendance for 2017, finishing the year with 3,117,113 visitors. This amount was 82,887 visitors below budget and was 63,665, or 2%, lower than prior year. This was due to unfavorable weather during key summer months when attendance suffered. Despite favorable weather in the spring and fall, attendance numbers ended slightly below the annual budget of 3,200,000.

<u>5 Year Average</u>	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
3,168,023	3,117,113	3,200,000	(82,887)	(2.59%)

TAX REVENUE (NET)

Tax Revenue was recorded at \$1,611,975, or 7.67%, favorable to budget, and \$896,413 or 4.12% greater than 2016. The 2017 tax rate was 7.68 cents per \$100 of assessed property value out of a maximum allowable 8.00 cents, this is a .31 cents lower than prior year's rate.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$22,632,098	\$21,020,123	\$1,611,975	7.67%

FOOD SERVICE

Food Service revenue exceeded budget primarily due to an unbudgeted large private event held in June 2017, as well as strong sales from the new Tiki Fruiti smoothie stand.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Sales	\$11,910,297	\$11,010,949	\$899,348	8.17%
Per Capita	\$3.82	\$3.44	\$.38	11.04%
Net	\$4,852,216	\$4,194,867	\$657,349	15.67%

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET (UNAUDITED)**

RETAIL

Retail revenue exceeded the 2017 budgeted amount by \$867,425, and was \$305,362 (5.95%) higher than 2016 levels. A warm winter and spring resulted in seasonal locations opening earlier and the fall opening of Grizzly Ridge resulted in a boost in year Q4 sales.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Sales	\$5,433,219	\$4,565,794	\$867,425	19.00%
Per Capita	\$1.74	\$1.43	\$0.32	22.16%
Net	\$2,354,688	\$1,798,804	\$555,884	30.90%

PARKING LOTS

Parking Lot revenue ended the year favorable to budget due to strong attendance in winter and spring months, as well as increased utilization of the additional parking spaces located on the South Campus during high attendance days throughout the year. Street repairs on Government Drive reduced street parking available, therefore more visitors utilized our parking lots.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$3,751,387	\$3,243,019	\$508,368	15.68%
Per Capita	\$1.20	\$1.01	\$.19	18.75%
Net	\$3,252,385	\$2,819,005	\$433,380	15.37%

ATTRACTIONS (RAILROAD, CAROUSEL, 4-D Theater)

Attractions revenue ended the year favorable to budget with all three attractions seeing revenues exceed budget. This revenue was offset by higher than anticipated salaries across all attractions related to the minimum wage adjustment detailed below.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$2,995,346	\$2,895,091	\$100,255	3.46%
Per Capita	\$.96	\$.90	\$.06	6.21%
Net	\$1,680,809	\$1,685,847	(\$5,038)	(.30%)

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET (UNAUDITED)**

CHILDREN'S ZOO

Children's Zoo revenue fell short of 2017 projections due to lower than anticipated individual ticket sales and adventure pass revenue. These coupled with higher than anticipated salary costs resulted in the negative variance. Note these figures do not include approximately \$145K in funds from donations and endowment harvests. Annually these funds are transferred to the Emerson Children's Zoo as non-operating revenue/program contributions, helping to offset expenses.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$705,799	\$798,246	(\$92,447)	(11.58%)
Per Capita	\$.23	\$.25	(\$.02)	(9.23%)
Net	(\$499,579)	(\$421,816)	(\$77,763)	(18.44%)

SEA LION SHOW

The Sea Lion Show fell below 2017 revenue projections by \$62,726. Attendance for the show did not meet projections, and overall attendance at the Zoo during peak season also lagged during the show period. Both individual ticket sales as well as adventure pass sales lagged throughout the year. This coupled with higher than anticipated salary costs resulted in the negative variance.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$432,542	\$495,268	(\$62,726)	(12.67%)
Per Capita	\$.14	\$.15	(\$.02)	(10.34%)
Net	\$38,133	\$135,705	(\$97,572)	(71.90%)

VISITOR RELATIONS

Visitor Relations underperformed its 2017 budget mainly due to aggressive projections related to the new photo service offered at stingray cove, as well as higher than anticipated commission costs to the various vendors.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$290,779	\$339,599	(\$48,820)	(14.38%)
Per Capita	\$.09	\$.11	(\$.01)	(12.10%)
Net	\$141,014	\$185,752	(\$44,738)	(24.08%)

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET (UNAUDITED)**

EDUCATION

Education revenue overall is unfavorable to budget mainly due to a drop in tuition fees related to a decline in overnights. Declines in outreach, distance learning, and school programs also drove up the overall variance. These figures do not include approximately \$254K in funds from donations and endowment contributions, which were transferred to the Education Department as non-operating revenue/program contributions.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$1,582,285	\$1,901,792	(\$319,507)	(16.80%)
Net	(\$1,313,480)	(\$1,054,989)	(\$258,491)	(24.50%)

SALES AND CATERING

Group Sales & Tours revenue ended the year favorable to budget by \$112,831 primarily due to continued growth in the behind the scenes tours program. The tours program has continued to exceed expectations and in 2017 a part time staff member was added to help accommodate the growing demand.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$489,238	\$374,220	\$115,018	30.74%
Net	(\$394,383)	(\$473,118)	\$78,735	(16.64%)

INVESTMENT INCOME (LOSS)

Overall investment revenue ended the year 186.41% ahead of budget. 2017 proved to be an extremely lucrative year within the investment markets, and the Zoo's portfolio experienced significant growth as a result. Emerging Markets experienced the most growth with a 37.3% rate of return, with International Developed and US Large Cap markets close behind with 25% and 21.8% growth respectively.

	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
	\$11,402,092	\$3,981,000	\$7,421,092	186.41%

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
REVENUE AND EXPENSE EXPLANATIONS
NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET (UNAUDITED)**

SUPPORT

Contributions – Contributions of \$11,634,344 exceeded the budget of \$2,007,000 by \$9,627,344. This large variance was attributable to several large unexpected gifts made throughout the year including a \$5 million gift towards the Grizzly Ridge exhibit, \$1 million gift towards the Primate Canopy Trails mini initiative, as well as numerous other large unrestricted gifts made throughout the year.

Bequest & Endowment Contributions – Endowment contributions of \$3,962,584 exceeded the budget of \$1,171,501 by \$2,971,083. The Zoo was the beneficiary of several large bequests in 2017 including an individual gift over \$2 million.

Membership Dues and Parent Program – Membership and Parent Program ended the year at \$4,861,140, exceeding its revenue budget of \$4,774,717 by \$86,423. This is a \$204,918 (4.40%) increase over 2016 levels. Revenue growth was attributable to large increases in the Family and Grandparent membership levels, as well as the Parent Program. This was slightly offset by decreases at the Zoo-Goer level. Coupled with savings related to mailhouse and postage expense Membership and the Parent Program had net income of \$3,278,301 which was \$222,575 (7.28%) over its \$3,055,726 budget.

ZOOFARI/A Zoo Ado – 2017 was a Zoofari year. Event revenue came in slightly below budget mainly due to lower than anticipated auction proceeds. This resulted in a net income of \$611,855, which was \$27,407 below the \$639,262 budget.

Marlin Perkins Society – The Marlin Perkins Society ended the year with a positive budget variance of \$364,268, or 19.17%. The Society had all-time high revenue of \$2,264,268 and reached a record membership level of 1,168. The Society's net income of \$1,732,310 exceeded the budget of \$1,329,024 by \$403,286 or 30.34%.

SALARIES

Salaries expense ended the year over budget by \$1,034,693 (3.88%). The variance was primarily due to the Zoo's decision to increase its minimum wage to \$10 per hour. In addition there were two full time heads approved after the budget process contributing to the overall budget variance.

FRINGE BENEFITS

Fringes were \$229,329 (3.26%) unfavorable to budget primarily due to the Zoo's pension expense particularly related to the current net pension liability. This coupled with other small overages in areas including Insurance Admin Fees and phone allotments resulted in the overall variance.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
REVENUE AND EXPENSE EXPLANATIONS
NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET (UNAUDITED)**

MERCHANDISE

This category captures the cost of sales for refreshments and gift shops as well as outside vendors and tends to increase or decrease with sales. Merchandise cost ended the year \$374,489 (7.32%) over budget due to higher-than-budgeted sales generated by the Food Service, Retail, and Outside Vendor operations.

ANIMAL FOOD AND MEDICAL CARE

Animal Food & Medical Care was \$26,525 favorable to budget primarily due to lower than anticipated costs on medical supplies, as well as pathology services and biomedical surveys.

UTILITIES

Utility expenditures ended the year \$310,601 (9.62%) favorable to budget. These savings were attributable to conservation efforts throughout the campus coupled with favorable weather conditions resulting in lower electric and gas bills.

SUPPLIES

Overall supply spending was \$177,405 favorable to budget for 2017. This variance was driven by a variety of accounts coming in under budget including food & beverage, education, oil/gas/lube, education, and uniforms.

PROPERTY & LIABILITY INSURANCE

Property and liability insurance costs ended the year \$29,287 favorable to budget. Due to the competitive insurance market, insurers are reducing rates in order to maintain customers. This coupled with reduced claim rates against the Zoo's general liability insurance resulted in savings to budget in the fiscal year.

OTHER OPERATING EXPENDITURES

The \$641,057 unfavorable variance in this sector primarily resulted from a large unbudgeted contribution expense related to Forest Park Forever. In addition higher than expected grant expenses and commissions attributed to the overall unfavorable variance.

ANIMAL SALES AND PURCHASES

This category varies greatly from year to year based on the Zoo's collection plans. In 2017, the budget totaled \$119,000, versus actual spending of \$95,013.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
REVENUE AND EXPENSE EXPLANATIONS
NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET (UNAUDITED)**

LEGAL / AUDIT / CONSULTING

Legal, audit and consulting expenses were \$197,040, or 30.89%, unfavorable to budget as a result of expenses associated with tax legislation plans.

CREATIVE SERVICES

Creative Services costs were \$170,415, or 22.26%, favorable to budget mainly due to the renegotiated contracts for the printing of maps and the STLZoo Magazine. This in addition to some delayed projects due to timing, as well as a shift to corrugated plastic allowing the reuse of materials, culminated in the favorable variance.

MARKETING

Marketing expenses ended the year \$66,471, 3.78%, unfavorable to budget. This was mainly due to additional advertising efforts including the "I Promise" television campaign, Grizzly Ridge advertising production costs, as well as additional event advertising and diversity outreach efforts.

CONSERVATION AND RESEARCH

Conservation expenses ended the year \$69,079 favorable to budget. This variance is primarily attributed to slower than anticipated spending related to various conservation initiatives coupled with some projects initially scheduled for 2017 being delayed.

REPAIRS & MAINTENANCE

Repairs and Maintenance expenditures were \$12,413, 1.07% unfavorable to budget. This variance is primarily due to additional maintenance supplies and preventative maintenance activities throughout the Zoo required to upkeep the functionality of the campus' aging infrastructure.

TRAVEL

Travel expenses were favorable to budget by \$44,773 due to continued efforts to decrease nonessential out-of-town travel and travel-related activities.

MAJOR EXPENSE

Major Expense ended the year unfavorable to budget by \$152,807. This was mainly attributable to unbudgeted expenses related to the rehab costs for the distribution center to repair damages caused by a fire started by the facilities dryer.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
REVENUE AND EXPENSE EXPLANATIONS
NOTES TO THE 2017 ACTUAL VS. 2017 BUDGET (UNAUDITED)**

DEPRECIATION

2017 Depreciation totaled \$11,293,571, which fell below the \$12,500,000 budget by \$1,206,429. However depreciation expense was \$1,041,262 over prior year. While the Grizzly Ridge exhibit was completed for capitalization in 2017, various mid-year approved projects approved mid-year were not completed as of yearend. This coupled with older projects reaching the end of their depreciable life resulted in depreciation expenses coming in 9.65% below budget.

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF ACTIVITIES
 AND CHANGES IN NET POSITION - CASH FLOW FORMAT (UNAUDITED)
 YEAR ENDED DECEMBER 31, 2017**

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2017 Combined Actuals	2017 Combined Total Budget
*** ATTENDANCE ***				3,117,113	3,200,000
Operating revenues:					
Tax revenue	\$ 22,655,080	\$ -	\$ -	\$ 22,655,080	\$ 21,020,123
Allowance for uncollectible taxes expense	(22,982)	-	-	(22,982)	-
Sea Lion Shows	432,542	-	-	432,542	495,268
Building rent	246,915	-	-	246,915	239,220
Carousel	679,613	-	-	679,613	662,649
Children's Zoo	705,799	-	-	705,799	798,246
Education	1,582,285	-	-	1,582,285	1,901,792
Retail	5,433,219	-	-	5,433,219	4,565,794
Sales & Catering	242,323	-	-	242,323	135,000
Visitor Relations	290,779	-	-	290,779	339,599
Sponsorship and event revenue	214,050	1,516,421	-	1,730,471	1,485,000
Marlin Perkins Society	-	2,264,268	-	2,264,268	1,900,000
Membership dues	-	4,450,094	-	4,450,094	4,408,717
Misc. Contributions	-	89,105	-	89,105	91,150
Other	1,284,046	7,409	(12,000)	1,279,455	496,972
Parent Program	-	411,046	-	411,046	366,000
Parking lot	3,751,387	-	-	3,751,387	3,243,019
Railroad	2,129,940	-	-	2,129,940	2,056,707
Food Service	11,910,297	-	-	11,910,297	11,010,949
4D Theater	185,793	-	-	185,793	175,735
WildCare Institute	167,855	-	-	167,855	95,000
ZOOFARI / A ZOO ADO	-	1,017,949	-	1,017,949	1,064,000
Contributions - Unrestricted	-	3,799,649	-	3,799,649	1,143,010
Dividends and Interest (Zoo)	32,317	-	-	32,317	10,000
Endowment Harvest - Unrestricted	-	-	-	-	-
Endowment Harvest - Restricted	1,010,000	-	-	1,010,000	1,010,000
Endowment Investment Income (Limited by Expense)	-	670,411	-	670,411	616,197
Total operating revenues	52,931,258	14,226,352	(12,000)	67,145,610	59,330,147
Operating expenses:					
Salaries and wages	23,596,612	4,072,076	-	27,668,688	26,633,995
Fringe benefits	6,711,204	545,101	-	7,256,305	7,026,976
Animal food	825,576	-	-	825,576	813,660
Animal medical care	326,355	-	-	326,355	364,796
Animal sales and purchases, net	95,013	-	-	95,013	119,000
Marketing	1,718,286	108,053	-	1,826,339	1,759,868
Merchandise	5,474,562	16,217	-	5,490,779	5,116,290
Other operating expenditures	1,601,388	1,327,524	(12,000)	2,916,912	2,329,431
Conservation & Research	863,393	-	-	863,393	932,472
Travel	250,624	19,542	-	270,166	314,939
Legal/Audit/Consulting	438,690	396,189	-	834,879	583,839
Financial institution charges	15,983	400,485	-	416,468	349,665
Service fees	486,070	25,888	-	511,958	497,248
Donor & Member Recognition	-	328,794	-	328,794	471,422
Computer & IT maintenance	478,059	75,564	-	553,623	596,198
Postage	41,443	280,721	-	322,164	390,310
Printing and graphics	158,016	437,194	-	595,210	765,625
Property and liability insurance	672,934	36,000	-	708,934	738,221
Repairs and maintenance	1,170,847	-	-	1,170,847	1,158,434
Supplies	1,344,996	827,416	-	2,172,412	2,349,817
Utilities	2,917,346	1,510	-	2,918,856	3,229,457
Major Expense	429,944	-	-	429,944	227,137
Operating Capital Expenses	1,668,140	-	-	1,668,140	1,772,863
Total operating expenses	51,285,481	8,898,274	(12,000)	60,171,755	58,541,661
TOTAL OPERATING CASH FLOW	1,645,776	5,328,078	-	6,973,854	788,486
Operating Capital - Operating Capital Carryover	(261,091)	-	-	(261,091)	-
Operating Capital - Special Appropriations	(2,424,128)	-	-	(2,424,128)	-
ADJUSTED OPERATING CASH FLOW	(1,039,443)	5,328,078	-	4,288,635	788,486
Capital Gains	-	1,163,437	-	1,163,437	260,700
Dividends and Interest	-	144,475	-	144,475	280,300
Income(loss) before Restricted Activity & Transfers	(1,039,443)	6,635,990	-	5,596,547	1,329,486

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF ACTIVITIES
 AND CHANGES IN NET POSITION - CASH FLOW FORMAT (UNAUDITED)
 YEAR ENDED DECEMBER 31, 2017**

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2017 Combined Actuals	2017 Combined Total Budget
Restricted Revenue & Expense:					
Endowment Contributions	-	3,962,584	-	3,962,584	1,087,351
Restricted Contributions - Programs/Capital	-	7,074,814	-	7,074,814	856,990
Restricted Contributions - WildCare Institute	-	670,776	-	670,776	-
Donation Expense	(363,333)	-	-	(363,333)	(359,757)
Investment Income	-	9,391,452	-	9,391,452	2,813,803
Total Restricted Revenue & Expense	(363,333)	21,099,626	-	20,736,293	4,398,387
Net Income Before Program Contributions	(1,402,775)	27,735,616	-	26,332,840	5,727,873

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2017 Combined Actuals	2017 Combined Total Budget
Program Contributions (Current Year):					
Parent program	409,546	(409,546)	-	-	-
Carousel	36,000	(36,000)	-	-	-
WildCare Institute	300,641	(300,641)	-	-	0
Contributions to permanent endowment	-	-	-	-	-
In-Kind Construction/Capital	-	-	-	-	-
The Living Promise Campaign	2,936,144	(2,936,144)	-	-	-
2016 Carryover Commitment	-	-	-	-	-
Non-Campaign Initiatives	-	-	-	-	-
Contributions to Zoo Programs	411,900	(411,900)	-	-	-
Shared Services Transfer	(1,800,000)	1,800,000	-	-	-
Endowment Harvest	-	(1,010,000)	-	(1,010,000)	(1,010,000)
Total Program Contributions	2,294,232	(3,304,232)	-	(1,010,000)	(1,010,000)
Changes in Net Position	891,456	24,431,384	-	25,322,840	4,717,873

Remove Operating Capital Spending	4,353,359	-	-	4,353,359	1,772,863
Add Depreciation Expense	(11,293,571)	-	-	(11,293,571)	(12,500,000)
Add Loss on Disposal of Assets	(37,675)	-	-	(37,675)	-
Change in Net Position	\$ (6,086,431)	\$ 24,431,384	\$ -	\$ 18,344,953	\$ (6,009,264)

**SAINT LOUIS ZOO
FINANCIAL PLAN - FOR THE YEAR OF 2017 (ACTUALS)
ZOO DEPARTMENT PROFIT/LOSS BUDGET REPORT**

Department	Revenue	Cost Of Sales	Full Time Salaries	Part-Time Salaries	Employee Benefits	Other Operating	Total Operating Expenses	Total ALL Expenses	CY 2017 Actuals	CY 2017 Net Budget	Budget Variance
*** ATTENDANCE ***									3,117,113	3,200,000	(82,887)
Tax Revenue	\$ 22,655,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,655,080	\$ 21,020,123	\$ 1,634,957
Food Service	12,092,468	3,135,379	845,716	2,275,680	515,662	467,815	4,104,873	7,240,252	4,852,216	4,194,867	657,349
Gift Shops	5,433,473	1,941,291	272,375	658,746	133,355	73,017	1,137,493	3,078,784	2,354,688	1,798,804	555,885
Railroad	2,129,941	56,559	189,659	563,277	106,704	127,521	987,162	1,043,721	1,086,220	1,071,161	15,059
Parking Lot	3,751,387	53,328	89,389	251,285	38,613	66,387	445,674	499,002	3,252,385	2,819,005	433,380
Sea lion Show	527,542	4,532	220,774	134,142	75,507	54,453	484,877	489,409	38,133	135,705	(97,572)
Insectarium	-	-	239,069	94,690	83,338	79,985	497,083	497,083	(497,083)	(510,572)	13,489
Group Tours	238,530	-	49,499	21,983	15,647	3,847	90,975	90,975	147,555	40,367	107,188
Visitor Relations	290,779	41,720	-	70,104	5,455	32,485	108,045	149,764	141,014	185,752	(44,738)
Safari Pass	(0)	70,827	-	-	-	(70,827)	(70,827)	-	(0)	(0)	0
Carousel	679,614	7,472	3,593	117,603	12,974	13,501	147,670	155,143	524,471	533,401	(8,930)
4D Theater	195,793	3,504	1,647	94,920	7,387	18,217	122,172	125,676	70,117	81,285	(11,167)
Association Shared Services	-	-	(1,800,000)	-	-	-	(1,800,000)	(1,800,000)	1,800,000	-	1,800,000
Education	1,713,529	31,027	919,838	936,374	331,385	808,386	2,995,982	3,027,009	(1,313,480)	(1,054,989)	(258,491)
Sales & Catering	290,292	70,812	250,891	225,257	90,007	195,262	761,418	832,230	(541,938)	(513,485)	(28,452)
Research	83,972	42,960	278,182	23,445	86,759	89,978	478,364	521,324	(437,352)	(472,318)	34,966
CARE	500	-	106,964	(536)	27,336	11,607	145,371	145,371	(144,871)	(233,300)	88,429
Zoo Administration	721,503	-	1,229,599	-	742,348	2,020,595	3,992,542	3,992,542	(3,271,039)	(1,153,680)	(2,117,359)
Utilities (less Phones)	-	-	-	-	-	2,685,601	2,685,601	2,685,601	(2,685,601)	(2,925,500)	239,899
Human Resources	50	-	716,999	-	301,700	778,594	1,797,293	1,797,293	(1,797,243)	(1,832,714)	35,471
Safety & Risk Management	-	-	55,605	46,494	533,934	725,737	1,361,771	1,361,771	(1,361,771)	(1,541,850)	180,079
Information Technology	2,522	-	421,756	58,682	110,566	434,120	1,025,124	1,025,124	(1,022,602)	(1,103,215)	80,613
Audio Visual	53,630	-	59,522	52,135	23,845	69,219	204,721	204,721	(151,091)	(114,553)	(36,538)
Finance	-	-	717,386	103,330	207,915	146,617	1,175,249	1,175,249	(1,175,249)	(1,204,836)	29,587
Purchasing	-	-	122,514	-	32,932	3,680	159,126	159,126	(159,126)	(167,088)	7,963
WildCare Institute	151,025	-	311	22,046	15,707	1,375,680	1,413,744	1,413,744	(1,262,719)	(1,256,097)	(6,622)
Conservation Medicine	17,886	-	110,034	29,933	28,901	67,075	235,942	235,942	(218,056)	(197,078)	(20,979)
Animal Division	21,209	-	4,280,992	208,770	1,208,667	1,086,649	6,785,078	6,785,078	(6,763,869)	(6,908,414)	144,545
Children's Zoo	705,799	6,250	588,914	312,873	220,738	76,601	1,199,127	1,205,377	(499,579)	(421,816)	(77,762)
Facilities Management	-	-	2,023,297	529,236	631,615	694,300	3,878,448	3,878,448	(3,878,448)	(4,052,905)	174,457
Architecture & Planning	43,164	-	255,112	-	57,128	73,660	385,901	385,901	(342,737)	(349,139)	6,402
Zone Maintenance	-	-	-	-	-	71,657	71,657	71,657	(71,657)	(76,700)	5,043
Security	950	-	589,695	384,306	200,916	70,545	1,245,461	1,245,461	(1,244,511)	(1,268,188)	23,677
Veterinary Hospital	134	-	755,795	3,816	197,314	323,137	1,280,061	1,280,061	(1,279,927)	(1,286,945)	7,018
Animal Nutrition	-	-	296,064	-	81,645	867,659	1,245,368	1,245,368	(1,245,368)	(1,232,405)	(12,963)
Distribution Center	6,320	7,515	220,496	353,580	108,773	29,363	712,213	719,727	(713,407)	(683,505)	(29,902)
Breeding Farm	-	-	-	-	-	677	677	677	(677)	(4,200)	3,523
South Campus	-	-	-	-	-	17,550	17,550	17,550	(17,550)	(31,954)	14,404
Marketing	93,186	-	825,094	13,232	209,380	1,761,975	2,809,681	2,809,681	(2,716,495)	(2,604,753)	(111,743)
Grounds	-	-	144,065	292,300	70,996	150,857	658,218	658,218	(658,218)	(697,901)	39,683
Housekeeping	-	-	609,049	29,008	196,053	89,904	924,014	924,014	(924,014)	(934,306)	10,291
Total Operations	29,245,196	5,473,176	15,689,895	7,906,714	6,711,202	15,593,085	45,900,896	51,374,072	(22,128,876)	(23,974,059)	1,845,182

**SAINT LOUIS ZOO
FINANCIAL PLAN - FOR THE YEAR OF 2017 (ACTUALS)
ZOO DEPARTMENT PROFIT/LOSS BUDGET REPORT**

Department	Revenue	Cost Of Sales	Full Time Salaries	Part-Time Salaries	Employee Benefits	Other Operating	Total Operating Expenses	Total ALL Expenses	CY 2017 Actuals	CY 2017 Net Budget	Budget Variance
Membership	4,450,108	6,862	309,705	223,517	119,579	695,226	1,348,028	1,354,890	3,095,217	2,915,523	179,694
ZOO FARI / A ZOO ADO	1,024,715	6,646	5,262	9,473	1,766	389,714	406,214	412,860	611,855	639,262	(27,407)
Parents Program	411,046	-	49,307	-	9,613	169,043	227,962	227,962	183,084	140,203	42,881
Association Other Contributions	84,109	-	-	-	-	11,860	11,860	11,860	72,250	56,025	16,225
Association Administration	1,968,633	-	587,125	36,359	1,965,516	977,732	3,566,733	3,566,733	(1,598,099)	(914,177)	(683,922)
Fundraising Events	963,405	-	9,353	80,135	7,794	367,210	464,492	464,492	498,913	394,424	104,490
Member Benefits	390,053	9,355	5,723	36,713	3,875	403,325	449,636	458,991	(68,938)	(127,339)	58,401
Marlin Perkins Society	2,265,125	-	255,454	794	58,527	218,040	532,815	532,815	1,732,310	1,329,024	403,286
Total Support	11,557,195	22,864	1,221,929	386,991	2,166,669	3,232,150	7,007,739	7,030,603	4,526,591	4,432,944	93,647
Tax, Ops, and Support Total	63,457,470	5,496,039	16,911,825	8,293,705	8,877,871	18,825,235	52,908,636	58,404,675	5,052,795	1,479,008	3,573,787
Operating Capital	-	-	-	-	-	4,353,359	4,353,359	4,353,359	(4,353,359)	(9,313,126)	4,959,767
Strategic Capital	-	-	-	-	-	2,936,144	2,936,144	2,936,144	(2,936,144)	(3,980,006)	1,043,862
Major Repairs	-	-	-	-	-	429,944	429,944	429,944	(429,944)	(277,137)	(152,807)
Development Fundraising	11,553,175	-	559,123	679	154,174	428,048	1,142,024	1,142,024	10,411,151	878,960	9,532,190
Endowment Fundraising	4,483,088	-	103,351	-	24,258	353,346	480,956	480,956	4,002,132	809,254	3,192,878
Total Before Investments	16,036,263	-	662,474	679	178,433	8,500,841	9,342,427	9,342,427	6,693,836	(11,882,054)	18,575,890
Zoo Investments	32,317	-	-	-	-	-	-	-	32,317	10,000	22,317
Association Investments	1,410,183	-	-	-	-	49,880	49,880	49,880	1,360,303	502,250	858,053
Endowment Investments	9,436,898	-	-	-	-	189,455	189,455	189,455	9,247,442	3,088,400	6,159,042
Investment Income	10,879,397	-	-	-	-	239,335	239,335	239,335	10,640,062	3,600,650	7,039,412
Contributions - Carousel	36,000	-	-	-	-	36,000	36,000	36,000	-	-	-
Contributions - WCI	300,641	-	-	-	-	300,641	300,641	300,641	-	0	(0)
Contributions - Capital	2,936,144	-	-	-	-	2,936,144	2,936,144	2,936,144	-	-	-
Contributions - Zoo Parents	409,546	-	-	-	-	409,546	409,546	409,546	-	-	-
Contributions - Other Programs	411,900	-	-	-	-	411,900	411,900	411,900	-	-	-
Contributions - Endowment Harvest	1,010,000	-	-	-	-	1,010,000	1,010,000	1,010,000	-	-	-
Foundation Management Fees	12,000	-	-	-	-	12,000	12,000	12,000	-	-	-
Routine Eliminations	(869,446)	-	-	-	-	(869,446)	(869,446)	(869,446)	-	-	-
Endowment Eliminations	(1,010,000)	-	-	-	-	(1,010,000)	(1,010,000)	(1,010,000)	-	-	-
Wildcare Eliminations	(300,641)	-	-	-	-	(300,641)	(300,641)	(300,641)	-	-	-
Capital Eliminations	(2,936,144)	-	-	-	-	(2,936,144)	(2,936,144)	(2,936,144)	-	-	-
Grand Total	\$ 90,373,130	\$ 5,496,039	\$ 17,574,299	\$ 8,294,384	\$ 9,056,304	\$ 27,565,411	\$ 62,490,398	\$ 67,986,437	\$ 22,386,693	\$ (6,802,396)	\$ 29,189,089
Remove Capital Spending						(7,289,503)	(7,289,503)	(7,289,503)	7,289,503	13,293,132	(6,003,629)
Add Depreciation Expense						11,293,571	11,293,571	11,293,571	(11,293,571)	(12,500,000)	1,206,429
Add Loss on Disposal of Assets						37,672	37,672	37,672	(37,672)	-	(37,672)
Change in Net Position									\$ 18,344,953	\$ (6,009,264)	\$ 24,354,217

**SAINT LOUIS ZOOLOGICAL SUBDISTRICT
SCHEDULE OF CAPITAL EXPENDITURES (UNAUDITED)
YEAR ENDED DECEMBER 31, 2017**

		1/1/2017 BALANCE	YEAR TO DATE 2017 ACTIVITY	Closed Fixed Assets	12/31/2017 Ending Balance
Strategic Capital:					
30100-7100-01	(CC: CM) CAPITAL PROJECT MANAGERS	\$ 4,704,375.51	\$ 159,389.40	\$ 4,863,764.91	\$ -
30101-7100-01	(CC: PD) PROJECT DESIGN	71,565.93	-	71,565.93	-
30102-7100-01	(CC: DP) DONOR PLAQUES	6,670.08	-	6,670.08	-
30120-7103-01	(CC: 19G) GRIZZLY RIDGE DESIGN	1,640,670.50	206,507.27	1,847,177.77	-
30121-7103-01	(CC) GRIZZLY RIDGE CONSTRUCTION	6,008,149.53	2,570,247.66	8,578,397.19	-
Total Strategic Capital		12,431,431.55	2,936,144.33	15,367,575.88	-
BAU Capital:					
30320-3003-01	GIS MAPPING MAJOR EXPENSE 2015-2017	6,950.00	(6,950.00)	-	-
30323-3003-01	2015 TLW HVAC CONSTRUCTION	565.22	287,491.24	-	288,056.46
30343-3003-01	2016 ASPHALT REPLACEMENT 2	8,257.77	88,666.79	96,924.56	-
30344-3003-01	2016 ENERGY MANAGEMENT SYSTEM UPGRADES 2	-	1,060.87	-	1,060.87
30345-3003-01	2016 WATER METER INSTALLATION 2	35,193.32	-	-	35,193.32
30351-3003-01	2016 BIG CAT MESH IMPROVEMENTS	43,991.82	-	43,991.82	-
30353-3003-01	2013 WATER METER INSTALLATION	28,569.09	-	28,569.09	-
30359-3003-01	2016 CHIMP BARRIER CONSTRUCTION	-	68,240.64	68,240.64	-
30360-3003-01	2016 BCC BARRIER CONSTRUCTION	-	250,136.41	250,136.41	-
30362-3003-01	2016 RED ROCKS BARRIER CONSTRUCTION	4,999.00	489,021.25	494,020.25	-
30366-3003-01	2017 RE AUTOMATIC GATE	-	7,350.80	7,350.80	-
30368-3003-01	2017 ALBERICI TRAILER MOVE	-	4,149.47	-	4,149.47
30369-3003-01	2017 TAKIN ROOF REPLACEMENT (DONOR FUNDED)	-	9,970.00	9,970.00	-
30373-3003-01	2017 CHIMP OVERLOOK HVAC	-	6,321.00	6,321.00	-
30376-3003-01	2017 ASPHALT PROJECTS	-	7,500.00	-	7,500.00
30378-3003-01	2017 EMERGENCY EAST TRANSFORMER REPLACEMENT	-	13,056.00	13,056.00	-
30381-3003-01	2017 CAROUSEL CAFE DECK DEMO	-	218.92	-	218.92
30382-3003-01	2015 ENERGY MANAGEMENT SYSTEM UPGRADES	7,043.98	14,356.95	21,400.93	-
30384-3003-01	2015 SEA LION ARENA BOILER REPLACEMENT	1,580.46	(1,580.46)	-	-
30385-3003-01	2015 TLW HVAC STUDY	24,225.85	509.38	-	24,735.23
30386-3003-01	2015 TLW PLUMBING IMPROVEMENT DESIGN	28,054.67	-	-	28,054.67
30389-3003-01	2015 TLW PLUMBING CONSTRUCTION	57,275.72	-	-	57,275.72
30390-3003-01	2018 AUTO SHOP HVAC	-	4,089.00	-	4,089.00
30406-3004-01	2016 DEVELOPMENT BENCHES	17,784.00	2,083.91	19,867.91	-
30411-3004-01	2015 NETWORK VIDEO RECORDER	4,620.00	(4,620.00)	-	-
30418-3004-01	2014 UNIFIED POS PHASE 2 - TICKETING	(13.95)	13.95	-	-
30427-3004-01	2016 STORAGE AREA NETWORK EQUIPMENT	276,200.42	342.92	276,543.34	-
30428-3004-01	2016 PUBLIC WIFI ACCESS	21,050.24	81,910.00	102,960.24	-
30430-3004-01	2017 CISCO SWITCH REPLACEMENT	-	68,572.50	-	68,572.50
30431-3004-01	2017 POS TABLET REPLACEMENT	-	23,043.97	23,043.97	-
30433-3004-01	2017 EMV IMPLEMENTATION	-	6,667.46	6,667.46	-
30434-3004-01	2017 LAKESIDE SPEAKERS	-	4,233.75	-	4,233.75
30436-3004-01	2017 ABT PROJECTOR SCREEN	-	8,883.74	-	8,883.74
30437-3004-01	2016 RIVERCAMP DIGITAL SIGNAGE	-	6,450.48	6,450.48	-
30438-3004-01	2017 PH GENERATOR	-	15,991.83	-	15,991.83
30439-3004-01	2017 WIRELESS BRIDGES	-	2,738.76	-	2,738.76
30461-3004-01	2013 GATE EMERGENCY NOTIFICATION SYSTEM	68,990.74	1,133.04	70,123.78	-
30472-3004-01	2015 WIRELESS NETWORKING	152,708.32	21,477.29	174,185.61	-
30552-3005-01	2014 CAROUSEL CAFE IMPROVEMENTS	56,710.53	26,340.00	83,050.53	-
30581-3005-01	2016 FOOD SERVICE EQUIPMENT CONTINGENCY	97,570.12	14,880.00	112,450.12	-
30583-3005-01	2017 FOOD SERVICE EQUIPMENT CONTINGENCY	-	91,950.45	-	91,950.45
30584-3005-01	2017 LAKESIDE RETAIL SHOP	-	3,446.19	-	3,446.19
30601-3006-01	2016 Candy Crossing Design	604.96	190,186.26	-	190,791.22
30705-3007-01	2017 RIVERCAMP BANQUET CHAIRS	-	22,335.00	-	22,335.00
30706-3007-01	2017 EXTERNAL EVENT TABLES	-	7,341.13	-	7,341.13
30914-3009-01	2015 FOUR PTZ CAMERAS	13,181.95	9,677.56	22,859.51	-
30916-3009-01	2016 PA SYSTEM	1,117.79	78,198.40	79,316.19	-
31033-3010-01	2015 Endoscopy Equipment	(8,149.18)	-	(8,149.18)	-
31043-3010-01	2017 ICM MOLECULAR LAB EQUIPMENT	-	14,367.00	14,367.00	-
31044-3010-01	2017 DENTAL RADIOGRAPHY PURCHASE	-	14,551.03	14,551.03	-
31045-3010-01	2017 HOSPITAL ROOF	-	9,729.20	9,729.20	-
31046-3010-01	2017 QUARANTINE HOOFSTOCK FLOOR	-	44,000.00	-	44,000.00
31071-3010-01	2017 ICM ULTRA LOW FREEZER	-	14,054.26	14,054.26	-
31165-3011-01	2016 EDU TENT EXPANSION	23,980.77	2,736.83	26,717.60	-
31169-3011-01	2017 EDU CARPET REPLACEMENT	-	24,467.00	24,467.00	-
31170-3011-01	2017 POLAR BEAR SEATING	-	2,904.05	-	2,904.05
31220-3012-01	2015 FORKLIFT	(3,900.00)	-	(3,900.00)	-
31224-3012-01	2016 DISTRIBUTION FREEZER	78.00	125,906.31	-	125,984.31
31225-3012-01	2016 DISTRIBUTION WASHER & DRYER	-	10,116.00	10,116.00	-
31226-3012-01	2017 DISTRIBUTION SKID LOADER	-	38,387.65	38,387.65	-
31360-3013-01	LARIMORE PROJECT ACQUISITION FEES	-	12,070.00	-	12,070.00
31420-3014-01	2016 IN KIND EMPLOYEE SHUTTLE	7,500.00	-	7,500.00	-
31421-3014-01	2017 SOUTH LOT RESEAL & RESTRIPE	-	36,140.00	36,140.00	-
31422-3014-01	2017 STINGRAY WALL REBUILD	-	17,770.00	17,770.00	-
31516-3015-01	2017 CADDY FLEET REPLACEMENT	-	193,973.82	-	193,973.82
32071-3002-01	2014 AARDVARK/T-DEVIL EXHIBIT DESIGN	33,651.56	-	33,651.56	-
32091-3002-01	2015 CZ TUNNEL SURVEY	2,321.64	(2,321.64)	-	-

**SAINT LOUIS ZOOLOGICAL SUBDISTRICT
SCHEDULE OF CAPITAL EXPENDITURES (UNAUDITED)
YEAR ENDED DECEMBER 31, 2017**

	1/1/2017 BALANCE	YEAR TO DATE 2017 ACTIVITY	Closed Fixed Assets	12/31/2017 Ending Balance
32111-3002-01	2016 BCC NETTING SURVEY	4,600.00	(4,600.00)	-
32117-3002-01	2016 BIRD GARDEN WIRE REPLACEMENT	774.05	72,000.00	72,774.05
32118-3002-01	2016 MO AQUARIUM ACRYLIC	2,035.15	30,025.00	-
32122-3002-01	2016 LAKE IMPROVEMENT DESIGN	26,977.52	58,922.35	-
32125-3002-01	2016 ANTELOPE HOUSE ELECTRICAL DESIGN	16,205.64	2,827.18	-
32127-3002-01	2016 RED ROCKS SHADE STRUCTURE DESIGN	5,928.16	-	5,928.16
32131-3002-01	2016 ELEPHANT WOODS ENTRY	46,262.36	-	46,262.36
32133-3002-01	2016 JOTA TRAINING PANELS	8,169.57	734.48	-
32134-3002-01	2016 PRIMATE HOUSE EXHIBIT MODIFICATION	1,978.01	20,563.07	22,541.08
32135-3002-01	2016 PRIMATE COURTYARD DESIGN	-	44,271.69	44,271.69
32138-3002-01	2016 OANC/HOSPITAL GENERATOR	7,200.00	20,336.75	-
32140-3002-01	2016 HERPETARIUM STORAGE SHED	-	29,876.06	29,876.06
32141-3002-01	2016 AMPHIBIAN POD DESIGN	3,127.50	(3,127.50)	-
32143-3002-01	2016 CZ T-DEVIL WIFI	4,995.00	3,555.00	8,550.00
32144-3002-01	2016 INSECTARIUM ROOF DESIGN	8,816.00	2,350.00	11,166.00
32145-3002-01	2016 JOTA EPOXY FLOOR RECOATING	1,871.35	3,760.00	5,631.35
32146-3002-01	2016 SCUBA COMPRESSOR UPGRADE	(20,850.00)	20,850.00	-
32147-3002-01	2016 JOTA BOOSTER PUMPS	6,669.98	6,087.48	12,757.46
32148-3002-01	2016 CZ ENCLOSURES (DF)	20,699.99	5,722.98	26,422.97
32149-3002-01	2016 SLS & RE SEALANT UPGRADE	20,850.00	(20,850.00)	-
32150-3002-01	2016 CZ GOAT YARD DRAINAGE (DF)	-	22,101.84	22,101.84
32151-3002-01	2017 EMF MESH PHASE III	-	66,053.51	66,053.51
32152-3002-01	2017 EMF PAINTING PHASE III	-	202,076.19	-
32153-3002-01	2017 PP&C CHILLER REPLACEMENT	-	171,453.76	171,453.76
32154-3002-01	2017 PRIMATE HOUSE BASEMENT HVAC	-	67,624.27	67,624.27
32155-3002-01	2017 T-DEVIL HVAC	-	31,804.27	31,804.27
32156-3002-01	2016 CZ Playground Resurfacing (DF)	-	47,780.02	47,780.02
32157-3002-01	2016 CZ Goat Barn Refurbishment (DF)	-	4,960.59	4,960.59
32158-3002-01	2017 CYPRESS SWAMP DOOR CONTROLS	-	15,629.15	15,629.15
32159-3002-01	2017 BIRD HOUSE WATER HEATER REPLACEMENT	-	10,051.82	10,051.82
32160-3002-01	2017 RED ROCKS SHADE STRUCTURE CONSTRUCTION	-	27,617.31	27,617.31
32161-3002-01	2017 ANTELOPE HOUSE ELECTRICAL UPGRADE	-	115,942.64	-
32162-3002-01	2017 PPC SIEMENS PANELS	-	70,430.00	70,430.00
32163-3002-01	2017 INSECTARIUM ROOF CONSTRUCTION	-	149,692.90	149,692.90
32164-3002-01	2017 P&PC HALIDE LIGHT REPLACEMENT	-	18,275.43	18,275.43
32165-3002-01	2017 RHINO/HIPPO DOOR MODIFICATION	-	74,324.82	-
32166-3002-01	2017 PRIMATE SIDE YARD RENOVATION	-	24,000.00	24,000.00
32168-3002-01	2017 HIPPO OZONE CHILLER	-	10,476.76	10,476.76
32170-3002-01	2017 HERP ELECTRIC DIMMER PANEL	-	5,900.00	5,900.00
32171-3002-01	2017 BIRD HOT WATER HEATER REPLACEMENT	-	8,463.00	8,463.00
32173-3002-01	2017 SLS OZONE CHILLER	-	10,829.23	-
32174-3002-01	2017 CZ ARBOR REPLACEMENT	-	72,029.12	72,029.12
32175-3002-01	2017 HERP HOT WATER HEATER REPLACEMENT	-	24,790.18	24,790.18
32176-3002-01	2017 BIRD HOUSE ENTRY WAY RENOVATION	-	4,438.47	4,438.47
32177-3002-01	2017 CZ AUTOMATIC DOOR REPLACEMENT	-	14,354.00	14,354.00
32179-3002-01	2017 ANTELOPE HOUSE BOULDER PATCH	-	11,578.62	11,578.62
32180-3002-01	2017 HIPPO POOL LINER	-	805.80	805.80
32182-3002-01	2017 HERP CARPET REPLACEMENT	-	1,054.35	1,054.35
32183-3002-01	2017 RED ROCKS MULT SHADE STRUCTURES	-	23,400.70	23,400.70
32184-3002-01	2017 NUTRITION CART	-	14,531.20	14,531.20
32185-3002-01	2017 CHIMP ODH CAMERAS	-	11,207.29	11,207.29
32186-3002-01	2017 APE DAYROOM FEEDERS	-	3,022.45	3,022.45
32187-3002-01	2017 BIRD ZM OFFICE	-	7,915.20	7,915.20
32188-3002-01	2017 SLS LEAKS SEALING AND COVER	-	12,175.00	12,175.00
32190-3002-01	2017 BIRD GARDEN PATH RESURFACING	-	12,445.33	12,445.33
32191-3002-01	2017 HERP EMERGENCY FIRE PANEL REPAIR	-	8,231.67	8,231.67
32192-3002-01	2017 ORANG WINDOW REPLACEMENT	-	52,706.50	52,706.50
32200-3002-01	2017 BIRD GARDEN ROOFS	-	6,659.52	6,659.52
32932-3029-01	2016 BARRIER DESIGN	18,497.20	-	18,497.20
32933-3029-01	2016 CHIMP BARRIER DESIGN	4,012.40	-	4,012.40
32934-3029-01	2016 ADDITIONAL WATER METER FUNDS	8,011.51	18,565.07	-
32935-3029-01	2016 SOUTH CAMPUS LANDSCAPING ADDITIONS	5,000.00	27,160.00	32,160.00
32936-3029-01	2016 SOUTH CAMPUS TRAFFIC CALMING	-	20,000.00	20,000.00
32937-3029-01	2017 CZ ARBOR REPLACEMENT	-	3,630.00	-
32938-3029-01	2017 OANC GENERATOR	-	2,448.54	2,448.54
32941-3029-01	2017 PRIMATE CANOPY TRAILS DESIGN	-	58,854.17	58,854.17
32942-3029-01	2017 RHINO TRAIL REROUTING DESIGN	-	6,825.00	6,825.00
Total BAU Capital		<u>1,214,546.20</u>	<u>4,353,358.59</u>	<u>3,485,014.00</u>
Total Strategic Capital		12,431,431.55	2,936,144.33	15,367,575.88
Total Operating Capital		1,214,546.20	4,353,358.59	2,082,890.79
Total Capital Expenditures		<u>\$ 13,645,977.75</u>	<u>\$ 7,289,502.92</u>	<u>\$ 18,852,589.88</u>
		<u>\$ 2,082,890.79</u>	<u>\$ 2,082,890.79</u>	<u>\$ 2,082,890.79</u>