

**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, 2018**

**SAINT LOUIS ZOO  
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK AND  
MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION  
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## 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, 2018, 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, 2018, 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 11 and the Schedule of the Zoo's Proportionate Share of the Net Pension Liability and the Schedule of Contributions on page 45, 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*

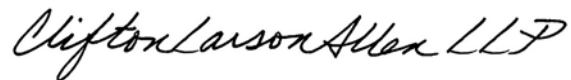
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saint Louis Zoological Subdistrict and its discretely presented component unit, the Saint Louis Zoo Association's basic financial statements. The Schedule of Other Operating Revenues and Expenditures on page 46 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 47 through 76 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 12 through 17 and 46 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, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2018*

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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 ending December 31, 2018. The Zoo's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) statement No. 34. 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. 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 calculated to \$2,030,000. 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 transfers of contributions section on the Association's financial report. Below are the effects.

#### Financial and Operational Highlights

The Zoo's key financial highlights for calendar year 2018 are as follows:

- The net position of the Zoo totaled \$118,125,821 at the close of 2018.
  - The unrestricted net position was \$85,170 more than the 2017 net position.
  - Invested in capital assets was \$3,079,014, or 2.7%, higher than 2017 totals.
- Property tax support (net of uncollectible tax expense) from the Zoo Museum District (ZMD) under the accrual basis method was \$22,743,360 for the year ending December 31, 2018, which is a 0.5% increase when compared to 2017. The tax rate increased to 7.77 cents on each \$100 of assessed property valuation which is .09 cents higher than the prior year's rate.

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**CAPITAL SPENDING:** In 2018, capital-spending additions totaled \$7,409,869 for construction-in-progress, including \$930,913 on strategic capital projects and \$6,478,956 on operating capital projects. Below is a discussion of the capital improvements for the Zoo.

- In 2018, design for the concept of the Primate Canopy Trails project continued. This concept project will improve the wellness for the primates by creating larger outdoor habitats, which will expose the animals to natural sunlight and fresh air. The visitor experience also will have enhanced views of the primates and will likely include 'climbing chutes' so that kids can move around with views of the primates. Through the end of 2018 the Zoo has spent \$974,484 on design. Fundraising for this mini-initiative is underway.
- On June 29, 2018, the Zoo opened two new stores in Schnuck Family Plaza. After demolishing the old venue, a new building was erected to house both a candy shop called Candy Crossing and a Starbucks coffee shop. The new stores are based in the high-traffic center of the Zoo which proved to help with their success. Starbucks is a walk-up model and is the first one ever built inside a zoo. Candy Crossing features fudge and animal-themed candies, all palm oil free or using sustainable palm oil. There also is a deck attached to the back of the building which will feature a solar sunshade that will provide sun relief for visitors and help power both buildings when completed. Through the end of 2018 the costs of the project include \$246,517 for design and \$2,769,812 for construction.
- In 2018, the Membership and Finance departments moved to their new location in the renovated Peabody Hall. The building previously was an art gallery and there was an employee eating area in the back part of the building. The renovation transformed the space to include two large areas for several cubicles as well as some offices, a conference room, showers and an enhanced kitchen area. This project required the remediation of the roof and the renovation costs, which together totaled \$450,758.
- In 2018, the Zoo completed tear down and construction of a new freezer for the distribution facility. The new freezer will allow Distribution to better store frozen items before transporting them to their locations. The cost of this replacement was \$476,815.

**VISITOR ATTENDANCE, SATISFACTION:** In 2018, the Zoo recorded attendance of 2,884,961 visitors. This number was just 315,039, or 9.8%, short of 2018 projections and 232,152, or 7.4%, less than last year's count. Overall, the weather in 2018 averaged 4.8% cooler and 17.6% wetter than 2017. Although the Zoo had a record-breaking Wild Lights and good attendance for Boo at the Zoo, there was not enough to overcome a rainy spring break season and extremely hot and humid temperatures in June and August.

- In 2018, through exit surveys, 97% of our guests rated their experiences excellent or very good, which is 1% lower than the 2017 rating. On average, guests spent \$10.52 per person, per visit, generating on-grounds revenues of \$30,336,086. This represents a 4.9% increase, or \$0.49, in per capita spending over the 2017 amount of \$10.03.



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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 12) summarizes the financial position of the Zoo as of December 31, 2018. 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 14) summarizes calendar year 2018 revenues and expenses. This statement indicates the success of the Zoo in maintaining expenses below the level of revenues. For 2018, this statement continues to show the change in accounting principle to reflect the GASB 68 effect pertaining to the pension adjustment.

The Statement of Cash Flows (page 16) 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.

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**Financial Analysis**

**Saint Louis Zoo  
 Statement of Net Position (Primary Government Only)  
 As of December 31, 2018**

	<u>2018</u>	<u>2017</u>	<u>Change \$\$</u>	<u>Change %</u>
<b>Assets</b>				
Current and other assets	\$ 21,858,381	\$ 20,151,058	\$1,707,323	8.5%
Capital assets(net)	117,682,978	114,603,964	3,079,014	2.7%
Deferred outflow of resources	1,332,761	1,004,612	328,149	32.7%
<b>Total Assets and Deferred Outflows</b>	<u>140,874,120</u>	<u>135,759,634</u>	<u>5,114,486</u>	<u>3.8%</u>
<b>Liabilities</b>				
Current	7,826,146	6,485,050	1,341,096	20.7%
Long Term	14,113,529	13,994,590	118,939	0.8%
Deferred inflow of resources	808,624	318,357	490,267	154.0%
<b>Total Liabilities and Deferred Inflows</b>	<u>22,748,299</u>	<u>20,797,997</u>	<u>1,950,302</u>	<u>9.4%</u>
<b>Net Position</b>				
Unrestricted	442,843	357,673	85,170	23.8%
Invested in capital assets	117,682,978	114,603,964	3,079,014	2.7%
<b>Total Net Position</b>	<u>118,125,821</u>	<u>114,961,637</u>	<u>3,164,184</u>	<u>2.8%</u>
<b>Total Liabilities &amp; Net Position</b>	<u>\$140,874,120</u>	<u>\$135,759,634</u>	<u>\$5,114,486</u>	<u>3.8%</u>

**Analysis:**

- Current and other assets increased by \$1,707,323 (8.5%), as compared to 2017, primarily due to an increase in the “Due from ZMD” line item. This line item records the receivable from the Zoo and Museum District and the increase over 2017 was \$1,810,225 (11%).
- The Capital Assets (net) in the asset section and the Invested-in-capital assets in the net position section increased by \$3,079,014 (2.7%). In 2018, this change resulted from the addition of \$7,409,869 of construction in progress activity, less the loss on disposal of fixed assets of \$54,710 and \$11,359,900 in depreciation costs. At year-end, \$6,630,767 in completed projects was transferred from construction in progress to fixed assets. (*Detailed earlier in Financial and Operational Highlights and Note 8*).
- The Deferred outflows of resources balance (referenced in Note 9) rose by \$328,149 (32.7%) 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 \$1,332,761 in 2018.
- Total liabilities and deferred inflow of resources increased by \$1,950,302 (9.4%). This is mainly due to the increase in the “Due to Affiliates” line by \$1,102,461. This represents the net of all intercompany activity. Also, related to GASB 68 is the adjustment of the

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deferred inflow of resources of \$490,267, which accounts for contributions made and expensed during the entity's fiscal year ended December 31, 2018. Furthermore, there were smaller increases for accounts payable of \$107,910 and net pension liability of \$100,977. The accounts payable change is due to the timing of items paid and the pension liability is based on the measurement as of September 30, 2018.

- The unrestricted net assets, usually a useful indicator of the Zoo's financial position, increased by \$85,170.

**Saint Louis Zoo**

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

**As of December 31, 2018**

	2018	2017	Change \$\$	Change %
Operating Revenues	\$27,832,274	\$29,256,842	(\$1,424,568)	-4.9%
Operating Expenses	<u>63,457,140</u>	<u>61,274,245</u>	<u>2,182,895</u>	<u>3.6%</u>
<b>Operating Income (Loss)</b>	<u>(35,624,866)</u>	<u>(32,017,403)</u>	<u>(3,607,463)</u>	<u>11.3%</u>
Non-operating Revenue	22,753,187	22,626,740	126,447	0.6%
Non-operating Expense	-	-	-	
Income (Loss) before contributions	<u>(12,871,679)</u>	<u>(9,390,663)</u>	<u>(3,481,016)</u>	<u>37.1%</u>
Transfers of Contributions (non-capital)	276,875	(43,812)	320,687	-732.0%
Transfers of Contributions (capital)	15,758,988	3,348,044	12,410,944	370.7%
Total Transfers of Contributions	<u>16,035,863</u>	<u>3,304,232</u>	<u>12,731,631</u>	<u>385.3%</u>
<b>Change in Net Position</b>	<u>3,164,184</u>	<u>(6,086,431)</u>	<u>9,250,615</u>	<u>-152.0%</u>
<b>Net Position - beginning of year</b>	114,961,637	121,048,068	(6,086,431)	-5.0%
<b>Net Position - end of year</b>	<u>\$118,125,821</u>	<u>\$114,961,637</u>	<u>\$3,164,184</u>	<u>2.8%</u>

**Analysis:**

- In 2018, the Zoo's net position increased \$3,164,177 (2.8%) as compared to the decrease in 2017 of \$6,086,431.

In 2018, the Zoo achieved an attendance of 2,884,961 visitors. Year-to-year comparisons are as follows:

- **Operating revenue** decreased by \$1,424,568 (4.9%) due to negative revenue variances for Parking Lots (\$544,815); Attractions (\$395,682); Other Operating Revenue (\$319,620); Food Service (\$234,681); and Retail (\$148,383). For parking lots the inclement weather and heat seriously affected the attendance. The weather was very wet during the spring break season and extremely hot during the summer months resulted in the decline in food service, attractions, and retail. The other operating revenue was down due to less insurance reimbursements received in 2018 when compared with last year. These were offset by an increase for Sales & Catering revenue of \$157,367, as there was an increase in private events activity.

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- **Operating expense** increased \$2,182,895 (3.6%) over 2017. The line items affecting this change were salaries, fringe, utilities, and major expense. For salaries and fringe the increase was attributable to the raise pool, the addition of new full-time, part-time, and seasonal positions as well as the \$10-minimum wage being in effect for the entire year. This increase accounted for \$1,687,986 of the total. The Zoo moved to the increased minimum wage in May of 2017. Utility costs increased \$221,325 due to more usage for electric and sewer. The major expense line item was \$211,457 higher due to the completion of more projects at the Zoo. These increases were offset by decreases in supplies (\$100,591), repairs and maintenance (\$145,954), and marketing (\$116,440). Marketing was down due to a Grizzly Ridge commercial scheduled for production in 2018, but filmed in 2017 due to a surplus.
- **Non-operating revenue**, which shows the tax revenue, increased by \$126,447 due to increased property tax revenues.
- **Contributions and Transfers** from the Association to the Zoo were \$16,035,863 in 2018, \$12,731,631 more than the 2017 amount. Capital contributions accounted for most of this difference of \$12,410,944 more than the previous year due to the transfers for the land purchase in north St. Louis County (\$7,158,414), capital project carryover funding (\$6,792,357), the cost of the design for Primate Canopy Trails concept project (\$985,538), the in-kind contribution transfer for the solar shade structure (\$342,000), and various programmatic contribution transfers including Education and Animal Division (\$480,680). The Endowment harvest transferred to the Zoo also was \$503,275 more than the previous year. This was offset by shared services (referenced in the Introduction above and in Note 1), which were \$230,000 more than the previous year.
- **The Change in Net Position** was \$3,164,184, which is \$9,250,615 more than YTD 2017.

**Saint Louis Zoo**  
**Statement of Cash Flows (Primary Government Only)**  
**For year ended December 31, 2018**

	<u>2018</u>	<u>2017</u>	<u>Change \$\$</u>	<u>Change %</u>
Cash Flows from Operating Activities	(\$22,775,156)	(\$18,747,775)	(\$4,027,381)	21.5%
Cash Flows from Non-Capital Financing Activities	20,933,135	21,629,971	(696,836)	-3.2%
Cash Flows from Capital and Related Financing	1,602,855	(3,441,456)	5,044,311	-146.6%
Cash Flows from Investing Activities	64,537	32,317	32,220	99.7%
<b>Net Increase (Decrease) in Cash and Cash</b>	<u>(174,629)</u>	<u>(526,943)</u>	<u>352,314</u>	<u>-66.9%</u>
Cash and cash equivalents at beginning of year	<u>2,077,006</u>	<u>2,603,949</u>	<u>(\$526,943)</u>	<u>-20.2%</u>
Cash and cash equivalents at end of year	<u>\$1,902,377</u>	<u>\$2,077,006</u>	<u>(\$174,629)</u>	<u>-8.4%</u>

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**Cash Flow Analysis:**

- Net cash from operating activities decreased \$4,027,381, or 21.5%, due to less cash received from patrons and contributions and more cash paid out to employees and suppliers.
- Net cash used from non-capital financing activities decreased \$696,836, or 3.2%, due to less cash received from property tax assessments.
- Net cash used from capital and related financing activities increased \$5,044,311 due to a \$12,248,438 increase in the cash received from the component unit offset by \$7,204,127 increase in payments for property and equipment. The cash received from the component unit are outlined in contributions and transfers and the payment is for the purchase of the property.
- Net cash used from investing activities increased by \$32,220 due to cash received from investment earnings.

**Economic Outlook:**

The Zoo has experienced a slight upturn in property tax projections, with a total increase of 12.2% from 2009 to 2018, for an average annual increase of 1.2%.

While the Zoo will not have any new exhibits or attractions opening in 2019, the remarkable news is that St. Louis County voters passed Proposition Z in November 2017, which will provide additional revenue to the Zoo with a 1/8 of one percent sales tax. This sales tax does not have a sunset provision. This allows the Zoo to begin the process of planning for a public component and a Conservation & Animal Science Center at the new property purchased in 2018 as well as address infrastructure needs at the Zoo in Forest Park.

Next, the Zoo will develop a plan in response to the State of Missouri increasing the minimum wage, in phases, to \$12 by 2023. The Zoo already is ahead of many other employers with the present \$10 minimum wage, but it wishes to stay the employer of choice for this area by offering competitive wages.

During 2019, the Zoo also will undergo the Association of Zoos and Aquariums (AZA) reaccreditation process. Every five years the Zoo is evaluated and measured against established standards and best practices as a requirement to retain our membership in the AZA.

While the Zoo will continue to focus on animal welfare, guest experience and other important areas in 2019, the Zoo also will work on several immediate infrastructure repairs and replacement projects at the Zoo in Forest Park as well as planning for the North Campus.

The Zoo is working on repairs to the Children's Zoo and the Railroad train tunnels which have resulted in the loss or reduction in revenue in early 2019 and may continue into the spring break season. So, in the near foreseeable future the zoo will concentrate on infrastructure improvement that were outlined in the 2017 Facility Condition Assessment.

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**The Saint Louis Zoo Association**

In 2018, Association operating revenue increased by \$1,680,774, or 7.9%, when compared to 2017. The largest increases came from contributions (\$1,848,891 or 15.9%), followed by sponsorship and event revenue (\$238,572 or 15.7%). The contributions increased in 2018 because of gifts received for the Primate Canopy Trails concept project and the north St. Louis County property. The Zoo's primary fundraisers alternate annually and A Zoo Ado, which typically records significantly less revenue than the more formal ZOOFARI, was \$411,288 less than last year.

Overall, the Association operating expenses increased by \$1,572,539, or 17.7%, mainly due to Legal/Audit/Consultation increase of \$1,334,144. The items associated with this line item were the special consulting project related to the Proposition Z tax campaign with payments of \$1,170,791 in 2018, which was \$980,267 higher than 2017. Also, there were due diligence and closing costs related to north St. Louis County property (\$301,758). Salaries increased due to the raise pool, the approval of three new positions, and an increase in the shared services transfer from the Zoo which was \$230,000 more than in 2017.

The non- operating revenues decreased by \$16,715,733 and were almost wholly attributable to the investment portfolio's poor performance, which ended the year down \$16,145,496 when compared to 2017. Also, bequest and endowed contributions declined \$570,237.

In 2018, the Association transferred \$16,035,863 to the Zoo, \$12,731,631 more than the previous year. The largest transfer was for capital projects (\$15,758,988) due to the price of the land purchase, capital carryover calls, Primate Canopy Trail concept design costs, in-kind contribution for the solar shade structure, and various programmatic contributions. This was \$12,410,944 more than the previous year. The transfer for the Endowment Harvest (\$1,513,275) also increased by \$503,275. These items were offset by \$2,030,000 for the shared services expense transfer from the Zoo which was \$230,000 more than the 2017 transfer.

**Contacting the Saint Louis Zoological Subdistrict**

The intention of this financial report is 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, 2018  
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION AS OF  
 DECEMBER 31, 2018 AND 2017)**

	2018		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents (Note 3)	\$ 1,902,377	\$ 18,317,333	\$ 20,219,710	\$ 24,203,390
Due from Zoo Museum District, Net (Note 1)	18,267,838	-	18,267,838	16,457,613
Pledges Receivable, Net (Note 6)	-	4,960,530	4,960,530	4,474,842
Miscellaneous Receivables	309,111	822,095	1,131,206	1,263,155
Due from Component Unit, Net (Note 2)	-	4,283,707	-	-
Inventories	865,811	11,768	877,579	760,324
Prepaid Expenses	513,244	58,857	572,101	499,104
Accrued Interest Receivable	-	69,948	69,948	59,818
	<u>21,858,381</u>	<u>28,524,238</u>	<u>46,098,912</u>	<u>47,718,246</u>
<b>LONG-TERM INVESTMENTS (NOTE 3)</b>	-	82,936,729	82,936,729	85,676,423
<b>BENEFICIAL INTEREST IN A TRUST AGREEMENT (NOTE 5)</b>	-	186,258	186,258	223,989
<b>PLEDGES RECEIVABLE, NONCURRENT, NET (NOTE 6)</b>	-	6,390,721	6,390,721	6,359,524
<b>OTHER ASSETS (NOTE 7)</b>	-	1,308,237	1,308,237	1,308,237
<b>PROPERTY AND EQUIPMENT (NOTE 8)</b>	117,682,978	-	117,682,978	114,603,964
<b>DEFERRED OUTFLOW OF RESOURCES (NOTE 9)</b>	<u>1,332,761</u>	<u>-</u>	<u>1,332,761</u>	<u>1,004,612</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 140,874,120</u>	<u>\$ 119,346,183</u>	<u>\$ 255,936,596</u>	<u>\$ 256,894,995</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.



	2018		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 1,794,854	\$ 604,955	\$ 2,399,809	\$ 2,293,052
Accrued Expenses and Other Liabilities (Note 1)	1,257,466	549,179	1,806,645	1,807,827
Due to Component Unit, Net (Note 2)	4,283,707	-	-	-
Unearned Support and Income (Note 10)	490,119	166,282	656,401	549,022
Total Current Liabilities	7,826,146	1,320,416	4,862,855	4,649,901
<b>OTHER LIABILITIES (NOTE 1)</b>	-	1,989,116	1,989,116	2,006,664
<b>OBLIGATION UNDER TRUST AGREEMENT (NOTE 5)</b>	-	35,345	35,345	54,798
<b>POSTEMPLOYMENT OBLIGATIONS (NOTE 12)</b>	574,041	-	574,041	556,079
<b>NET PENSION LIABILITY (NOTE 9)</b>	13,539,488	-	13,539,488	13,438,511
<b>DEFERRED INFLOW OF RESOURCES (NOTE 9)</b>	808,624	-	808,624	318,357
Total Liabilities and Deferred Inflow of Resources	22,748,299	3,344,877	21,809,469	21,024,310
<b>NET POSITION (NOTE 11 AND NOTE 15)</b>				
Invested in Capital Assets	117,682,978	-	117,682,978	114,603,964
Restricted for				
Expendable:				
Endowment - Donor Restricted	-	12,946,832	12,946,832	20,034,444
Capital Projects - Donor Restricted	-	12,202,468	12,202,468	6,985,745
Nonexpendable:				
Endowment - Donor Restricted	-	33,144,886	33,144,886	32,586,774
Unrestricted	442,843	57,707,120	58,149,963	61,659,758
Total Net Position	118,125,821	116,001,306	234,127,127	235,870,685
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 140,874,120	\$ 119,346,183	\$ 255,936,596	\$ 256,894,995

**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, 2018  
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE  
 YEARS ENDED DECEMBER 31, 2018 AND 2017)**

	2018		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association	2018	2017
<b>OPERATING REVENUES</b>				
Food and Beverage	\$ 11,675,616	\$ -	\$ 11,675,616	\$ 11,910,297
Contributions	-	13,483,235	13,483,235	11,634,344
Membership Dues and Parent Program	-	4,843,060	4,843,060	4,861,140
Retail	5,284,836	-	5,284,836	5,433,219
Parking Lot	3,206,572	-	3,206,572	3,751,387
Attractions	2,599,664	-	2,599,664	2,995,346
Sponsorship and Event Revenue	242,730	1,754,993	1,997,723	1,730,471
Other	964,425	889	953,314	1,279,454
Marlin Perkins Society	-	2,293,470	2,293,470	2,264,268
Education	1,620,406	-	1,620,406	1,582,285
Children's Zoo	676,502	-	676,502	705,799
ZOOFARI and A ZOO ADO	-	606,661	606,661	1,017,949
Visitor Relations	276,601	-	276,601	290,779
Sea Lion Show	370,684	-	370,684	432,542
Sales and Catering	646,605	-	646,605	489,238
WildCare Institute	267,633	-	267,633	167,855
Total Operating Revenues	27,832,274	22,982,308	50,802,582	50,546,373
<b>OPERATING EXPENSES</b>				
Salaries and Wages	24,944,869	4,511,280	29,456,149	27,668,688
Fringe Benefits	7,050,933	576,806	7,627,739	7,256,305
Merchandise	5,520,650	9,570	5,530,220	5,490,779
Animal Food and Medical Care	1,274,066	-	1,274,066	1,151,931
Utilities	3,138,671	55,025	3,193,696	2,918,856
Supplies	1,244,405	942,715	2,187,120	2,172,412
Property and Liability Insurance	702,840	72,220	775,060	708,934
Computer and IT Maintenance	459,553	60,709	520,262	553,623
Financial Institution Charges	22,598	412,473	435,071	416,468
Donor and Member Recognition	-	215,709	215,709	328,794
Postage	47,514	317,445	364,959	322,164
Service Fees	527,404	51,479	578,883	511,958
Other Operating Expenditures	2,009,410	917,638	2,915,048	3,280,245
Conservation and Research	876,917	-	876,917	863,393
Travel	268,161	17,295	285,456	270,166
Legal/Audit/Consulting	504,269	1,730,333	2,234,602	834,879
Repairs and Maintenance	1,024,893	-	1,024,893	1,170,847
Printing and Graphics	139,482	467,346	606,828	595,210
Marketing	1,601,846	112,770	1,714,616	1,826,339
Animal Sales and Purchases, Net	97,358	-	97,358	95,013
Major Expense	641,401	-	641,401	429,944
Depreciation (Note 8)	11,359,900	-	11,359,900	11,293,571
Total Operating Expenses	63,457,140	10,470,813	73,915,953	70,160,519
Operating Income (Loss)	(35,624,866)	12,511,495	(23,113,371)	(19,614,146)

\* 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, 2018  
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE  
 YEARS ENDED DECEMBER 31, 2018 AND 2017)**

	2018		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Loss on Disposal of Property and Equipment	\$ (54,710)	\$ -	\$ (54,710)	\$ (37,675)
Tax Revenue, Net (Note 1)	22,743,360	-	22,743,360	22,632,098
Investment Income (Loss)	64,537	(4,775,721)	(4,711,184)	11,402,092
Bequest and Endowment Contributions	-	3,392,347	3,392,347	3,962,584
Total Nonoperating Revenues	<u>22,753,187</u>	<u>(1,383,374)</u>	<u>21,369,813</u>	<u>37,959,099</u>
Income (Loss) Before Transfers of Contributions	(12,871,679)	11,128,121	(1,743,558)	18,344,953
<b>TRANSFERS OF CONTRIBUTIONS</b>				
Parent Program	479,248	(479,248)	-	-
Capital Projects	15,758,988	(15,758,988)	-	-
WildCare Institute	278,352	(278,352)	-	-
Endowment Distribution (Note 15)	1,513,275	(1,513,275)	-	-
Carousel	36,000	(36,000)	-	-
Shared Services (Note 1)	(2,030,000)	2,030,000	-	-
Total Transfers of Contributions	<u>16,035,863</u>	<u>(16,035,863)</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET POSITION</b>	3,164,184	(4,907,742)	(1,743,558)	18,344,953
Net Position - Beginning of Year	<u>114,961,637</u>	<u>120,909,048</u>	<u>235,870,685</u>	<u>217,525,732</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 118,125,821</u>	<u>\$ 116,001,306</u>	<u>\$ 234,127,127</u>	<u>\$ 235,870,685</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, 2018  
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE  
 YEARS ENDED DECEMBER 31, 2018 AND 2017)**

	2018		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Patrons/Contributors	\$ 27,673,191	\$ 24,876,297	\$ 52,549,488	\$ 49,262,387
Cash Paid to Employees and Suppliers	(53,857,683)	(10,563,449)	(64,421,132)	(60,671,747)
Cash Received from (Paid to) Component Unit for Operations	3,409,336	(3,409,336)	-	-
Net Cash Provided (Used) by Operating Activities	(22,775,156)	10,903,512	(11,871,644)	(11,409,360)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash Received from Property Tax Assessments	20,933,135	-	20,933,135	21,629,971
Cash Contributions Received for Board Restricted	-	2,834,232	2,834,232	3,627,664
Cash Contributions Received for Permanent Endowment	-	558,112	558,112	334,923
Net Cash Provided by Noncapital Financing Activities	20,933,135	3,392,344	24,325,479	25,592,558
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Cash Received from (Paid to) Component Unit for Property and Equipment	16,096,482	(16,096,482)	-	-
Payments for Property and Equipment	(14,493,627)	-	(14,493,627)	(7,289,500)
Cash Received from Grants	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	1,602,855	(16,096,482)	(14,493,627)	(7,289,500)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Maturities and Sales	-	862,742	862,742	8,350,000
Investment Purchases	-	(3,537,053)	(3,537,053)	(13,168,920)
Cash Received from Investment Earnings	64,537	665,886	730,423	181,191
Net Cash Provided (Used) by Investing Activities	64,537	(2,008,425)	(1,943,888)	(4,637,729)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(174,629)	(3,809,051)	(3,983,680)	2,255,969
Cash and Cash Equivalents - Beginning of Year	2,077,006	22,126,384	24,203,390	21,947,421
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,902,377</b>	<b>\$ 18,317,333</b>	<b>\$ 20,219,710</b>	<b>\$ 24,203,390</b>

\* 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, 2018  
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE  
 YEARS ENDED DECEMBER 31, 2018 AND 2017)**

	2018		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (35,624,866)	\$ 12,511,495	\$ (23,113,371)	\$ (19,614,146)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	11,359,900	-	11,359,900	11,293,571
Transfer of Shared Services	(2,030,000)	2,030,000	-	-
Due to/from Component Unit	3,409,336	(3,409,336)	-	-
(Increase) Decrease in Assets:				
Pledges Receivable	-	(516,885)	(516,885)	(3,900,756)
Miscellaneous Receivables	(204,669)	336,618	131,949	605,502
Inventories	(118,276)	1,021	(117,255)	(38,150)
Prepaid Expenses	(86,276)	13,279	(72,997)	44,947
(Increase) Decrease in Deferred Outflows of Resources	(328,149)	-	(328,149)	2,931,239
Increase (Decrease) in Liabilities:				
Accounts Payable	107,913	(1,151)	106,762	(583,023)
Accrued Expenses and Other Current Liabilities	85,148	(103,878)	(18,730)	322,448
Postemployment Obligations	17,962	-	17,962	1,287
Obligation Under Trust Agreement	-	(19,453)	(19,453)	(6,406)
Net Pension Liability	100,977	-	100,977	(2,432,392)
Unearned Support and Income	45,577	61,802	107,379	97,194
Increase (Decrease) in Deferred Inflows of Resources	490,267	-	490,267	(130,675)
Net Cash Provided (Used) by Operating Activities	<u>\$ (22,775,156)</u>	<u>\$ 10,903,512</u>	<u>\$ (11,871,644)</u>	<u>\$ (11,409,360)</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, 2018**

**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, 2018**

**NOTE 1 DESCRIPTION OF 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 nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the Zoo. All other expenses are reported as nonoperating 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, 2018**

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

**New Accounting Pronouncements**

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Association has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

**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 7.77 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, 2018. Excess funds of \$924,865 were distributed to the Zoo during the year ended December 31, 2018. Such amounts, if any, are included in tax revenue in the accompanying financial statements. The tax receivable of \$18,982,990 has been reduced by an allowance for uncollectible accounts of \$715,152 at December 31, 2018. Tax revenues of \$22,830,354 are reported net of uncollectible tax recoveries of (\$86,994) for the year ended December 31, 2018.



**SAINT LOUIS ZOO  
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK  
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 DESCRIPTION OF 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 2% to present value (see Note 6) which is estimated to reflect fair value at December 31, 2018. 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, 2018, management has recorded \$127,406 as an allowance for doubtful accounts.

During the year ended December 31, 2018, management provided for probable uncollectible amounts through a charge to expense and a credit to the allowance. Bad debt expense related to pledges for the Association amounted to \$-0- for the year ended December 31, 2018.

**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.

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**NOTE 1 DESCRIPTION OF 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, 2018, the amounts of gift annuity obligations are \$2,303,344 for the Association and are reflected as accrued expenses and other liabilities on the balance sheet, of which \$1,989,116 is considered noncurrent. At December 31, 2018, \$314,228 is considered current based on an estimate of annuity payments to be paid during 2018. 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.

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**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, 2018:

Type of Transaction	Amount
Parent Program Support	\$ 479,248
Capital Project Support	15,758,988
WildCare Institute Support	278,352
Endowment Distribution	1,513,275
Carousel (Membership Benefit)	36,000
Shared Services	(2,030,000)
Total	<u>\$ 16,035,863</u>

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 2019.

**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, 2018, the Association's and Zoo's balances were as follows:

	Carrying Value	Bank Balances
<u>Cash and Cash Equivalents</u>		
Zoo	\$ 1,902,377	\$ 2,854,311
Association	18,317,333	18,459,302
Total Cash and Cash Equivalents	<u>\$ 20,219,710</u>	<u>\$ 21,313,613</u>

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**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 stock, and U.S. Government and agency obligations. A comparison of fair value and amortized cost of investments as of December 31, 2018 is as follows:

<u>Investments</u>	<u>Reported Value</u>	<u>Cost or Amortized Cost</u>
Association:		
Money Market Funds	\$ 1,156,587	\$ 1,156,587
U.S. Government and Agency Obligations	3,442,128	3,486,769
Corporate Notes/Obligations	4,824,733	4,978,185
Foreign Issues	740,024	748,571
Municipal Issues	793,191	801,984
Mutual Funds	45,371,739	36,742,497
Investments Held at Fair Value	<u>56,328,402</u>	<u>47,914,593</u>
Alternative Investment Funds at Net Asset Value	<u>26,608,327</u>	<u>25,642,918</u>
Total	<u><u>\$ 82,936,729</u></u>	<u><u>\$ 73,557,511</u></u>

	<u>Zoo</u>	<u>Association</u>	<u>Total</u>
Unrealized Losses	\$ -	\$ (7,557,639)	\$ (7,557,639)
Realized Gains	-	1,364,137	1,364,137
Dividend and Interest Income	64,537	1,417,781	1,482,318
Total Investment Income	<u><u>\$ 64,537</u></u>	<u><u>\$ (4,775,721)</u></u>	<u><u>\$ (4,711,184)</u></u>

Investment loss is \$4,711,184 for the year ended December 31, 2018, which includes unrealized loss in fair value of \$7,557,639, realized gains of \$1,364,137, and dividends and interest of \$1,482,318.

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.

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**NOTE 4 ASSETS RESTRICTED FOR ENDOWMENT**

Association assets and liabilities restricted for endowment consist of the following at December 31, 2018:

Cash and Cash Equivalents	\$ 185,888
Investments, Noncurrent, Net of Gift Annuity Obligations	66,203,147
Pledge Receivables, Current	375,381
Pledge Receivables, Net Noncurrent	1,000,234
Miscellaneous Receivables, Current	406,314
Prepaid Expenses	1,985
Accrued Interest Receivable	69,948
Other Assets	1,308,237
Other Liabilities	<u>(332,173)</u>
Total	<u><u>\$ 69,218,961</u></u>

The Association has \$23,127,243 of funds without donor restriction designated by the Board of Directors to function as endowments, see Note 15 on page 37.

**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 \$186,258 at December 31, 2018.

The obligation under this trust agreement is \$35,345 at December 31, 2018, 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 10 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 10 years. The Association would become the beneficiary of the remainder of the trust assets after this term.

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**NOTE 6 PLEDGES RECEIVABLE**

Association pledges receivable at December 31, 2018, 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	\$ 11,764,410
Less: Unamortized Discount	<u>(285,753)</u>
Subtotal	11,478,657
Less: Allowance for Doubtful Accounts	<u>(127,406)</u>
Pledges Receivable, Net	<u><u>\$ 11,351,251</u></u>

	Association	
	Net	Gross
Amounts Due in:		
Less Than One Year	\$ 4,960,530	\$ 5,087,936
Years One to Five	6,063,464	6,301,240
More Than Five Years	<u>327,257</u>	<u>375,234</u>
Total	<u><u>\$ 11,351,251</u></u>	<u><u>\$ 11,764,410</u></u>

The pledge receivables are recorded at their fair value based on discounted future cash flows at a rate of approximately 2%.

**NOTE 7 OTHER ASSETS**

The Association received a bequest during 2011, which includes artwork and other items. At December 31, 2018, the fair value of the bequest is \$1,308,237, which is included in other assets.

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**NOTE 8 PROPERTY AND EQUIPMENT**

Capital asset activity for the year ended December 31, 2018 is as follows:

	Balance January 1, 2018	Additions	Transfers or Retirements	Balance December 31, 2018
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital Assets, Not Being Depreciated:				
Land Held for Development	\$ 6,308,610	\$ 7,083,758	\$ -	\$ 13,392,368
Construction in Progress	2,082,891	7,409,869	(6,630,767)	2,861,993
Total Capital Assets, Not Being Depreciated	<u>8,391,501</u>	<u>14,493,627</u>	<u>(6,630,767)</u>	<u>16,254,361</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements and Equipment	273,369,647	6,630,767	(2,924,311)	277,076,103
Less Accumulated Depreciation for:				
Buildings and Improvements and Equipment	<u>(167,157,184)</u>	<u>(11,359,900)</u>	<u>2,869,598</u>	<u>(175,647,486)</u>
Total Capital Assets, Being Depreciated, Net	<u>106,212,463</u>	<u>(4,729,133)</u>	<u>(54,713)</u>	<u>101,428,617</u>
Total Combined Zoo and Association	<u>\$ 114,603,964</u>	<u>\$ 9,764,494</u>	<u>\$ (6,685,480)</u>	<u>\$ 117,682,978</u>

Depreciation expense was \$11,359,900 for the Zoo for the year ended December 31, 2018.

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, 2018, totaled approximately \$1,600,782.

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**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 nonuniformed 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 12.13% effective July 1, 2017 and 12.27% effective July 1, 2018.

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 \$2,385,719 and \$2,305,302 for the years ended December 31, 2018 and 2017, respectively.



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**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, 2018, the Zoo reported a liability of \$13,539,488 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017.

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, 2018 and 2017. At December 31, 2018, the Zoo's proportion was 8.00262%, which increased from 7.73597%, the percentage used to allocate the liability as of December 31, 2017.

There were no changes in benefit terms during the ERS plan year ended September 30, 2018, that affected the measurement of total pension liability.

For the year ended December 31, 2018, the Zoo recognized pension expense of \$2,648,816.

	2018
Contributions Recorded to Pension Plan	\$ 2,385,719
Pension Expense Related to Deferred Inflows and Outflows	263,097
Total Pension Expense	<u>\$ 2,648,816</u>

At December 31, 2018, the Zoo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 808,624
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	291,164	-
Changes in Proportion and Differences Between Zoo Contributions and Proportionate Share of Contributions	401,293	-
Zoo Contributions Subsequent to the Measurement Date	640,304	-
Total	<u>\$ 1,332,761</u>	<u>\$ 808,624</u>

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**NOTE 9 EMPLOYEE BENEFIT PLANS (CONTINUED)**

The \$640,304 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, 2018. 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 Ending December 31,</u>	<u>Amount</u>
2019	\$ 718,072
2020	(704,275)
2021	(307,402)
2022	177,438
Total	<u>\$ (116,167)</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, 2017 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 lasts capital market assumptions. Specifically, the System uses Summit Strategies Group capital market assumption in analyzing the System's asset allocation.

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**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	19.00 %	7.00 %
Small Cap	4.50	7.30
International Large Cap	17.30	7.30
Emerging Markets	6.70	8.50
High Yield	5.00	6.00
Master Limited Partnerships	7.50	8.00
Core Fixed Income	12.50	4.00
International Fixed Income	4.00	3.80
Core Real Estate	10.00	6.80
Treasury Inflation Protected Securities	3.50	3.80
Hedge Funds	10.00	5.50
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, 2018:**

Inflation Assumption	2.50%
Standard Deviation	10.00%
Administrative Expenses	0.30% of Covered Payroll
Municipal Bond Yield	4.18% as of September 30, 2018 Bond-Buyer 20-Bond GO Index, September 28, 2018
Long-Term Expected Rate of Return	7.50% Net of Investment Expenses as of September 30, 2018
Discount Rate	7.50% as of September 30, 2018

**Discount Rate** – The discount rate used to measure the total pension liability was 7.50% as of September 30, 2018. 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.

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**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	\$ 21,413,899	\$ 13,539,488	\$ 6,799,476

**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, 2018, 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 2018, a participant’s annual contribution is limited to the lesser of \$18,500 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 \$180,232 to a key officer of the Zoo during the year ended December 31, 2018. 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.

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**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 \$166,282 as of December 31, 2018, 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 \$490,119 primarily represents grants awarded to the Zoo which have not been expended as of December 31, 2018.

**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 \$23,127,243 of certain unrestricted donor gifts or gifts transferred in from the Zoo as board designated as more fully described in Note 15.

Zoo	\$ 442,843
Association Nonendowment	34,579,877
Association Board Designated	23,127,243
Association Unrestricted Net Position	57,707,120
Total Unrestricted Net Position	\$ 58,149,963

Association

*Restricted Nonexpendable* – This consists of net positions that are legally restricted by outside donors. These nonexpendable funds are permanently donor restricted Association endowment funds and will be restricted in perpetuity by the donor as more fully described in Note 15. These nonexpendable funds total \$33,144,886.

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**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. Donor restricted net position totals \$12,202,468 and \$12,946,832 for the Association nonendowed and endowed funds, respectively, as of December 31, 2018.

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 POSTEMPLOYMENT 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 \$574,041 as of December 31, 2018, its estimated net present value. The liability related to these post-separation employment obligations increased \$17,962 for the year ended December 31, 2018.

**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.

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**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 \$864,242 for the year ended December 31, 2018.

Future minimum payments are as follows at December 31, 2018:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 151,731
2020	111,039
2021	107,700
2022	<u>17,690</u>
Total	<u><u>\$ 388,160</u></u>

**NOTE 15 ASSOCIATION NET POSITION**

The Association consists of individual funds established for a variety of purposes. The Association includes both funds without donor restrictions and funds with donor restrictions. 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.

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**NOTE 15 ASSOCIATION NET POSITION (CONTINUED)**

Association net position composition by type of net position for nonendowment funds as of December 31, 2018:

	Without Donor Restriction	With Donor Restriction	Total
Association Nonendowment Net Position - Beginning of Year	\$ 41,009,071	\$ 6,985,745	\$ 47,994,816
Investment Earnings	31,099	-	31,099
Operating Revenues	11,529,078	-	11,529,078
Contributions, Net of Write-Offs	2,882,252	10,600,983	13,483,235
Restriction Released	5,384,260	(5,384,260)	-
Appropriations for:			
Operations	(9,703,295)	-	(9,703,295)
Transfers to Zoo	(16,552,588)	-	(16,552,588)
Total Appropriations for Expenditures	(26,255,883)	-	(26,255,883)
Association Nonendowment Net Position - End of Year	\$ 34,579,877	\$ 12,202,468	\$ 46,782,345

**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 net assets with donor restrictions 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



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**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, 2018:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment Funds Held in Perpetuity	\$ -	\$ 33,144,886	\$ 33,144,886
Accumulated Unspent Endowment Earnings	-	12,946,832	12,946,832
Board-Designated Endowment Funds	23,127,243	-	23,127,243
Total Endowment Funds	<u>\$ 23,127,243</u>	<u>\$ 46,091,718</u>	<u>\$ 69,218,961</u>

Changes in the Association net position for endowment funds for the year ended December 31, 2018:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Association Endowment Funds Net Position - Beginning of Year	\$ 20,293,014	\$ 52,621,218	\$ 72,914,232
Investment Return:			
Investment Income	-	950,516	950,516
Net Appreciation (Realized and Unrealized)	-	(5,757,336)	(5,757,336)
Total Investment Return	-	(4,806,820)	(4,806,820)
Contributions	2,834,235	558,112	3,392,347
Appropriations for:			
Endowment Distribution	-	1,513,274	1,513,274
Operations	-	767,518	767,518
Total Appropriations for Expenditures	-	2,280,792	2,280,792
Association Endowment Funds Net Position - End of Year	<u>\$ 23,127,243</u>	<u>\$ 46,091,718</u>	<u>\$ 69,218,961</u>

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**NOTE 15 ASSOCIATION NET POSITION (CONTINUED)**

**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 \$11,888,639, or 23%, of alternative investment funds. The Capital Preservation (target 30%) includes some fixed income with \$14,660,111, or 61%, 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, 2018, 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.

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**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, 2018 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
<b>Investments:</b>				
Money Market Funds	\$ 1,156,587	\$ -	\$ -	\$ 1,156,587
U.S. Govt. Obligations	1,559,347	1,882,780	-	3,442,127
Corporate Obligations	-	4,824,733	-	4,824,733
Foreign Issues	-	740,024	-	740,024
Municipal Issues	-	793,191	-	793,191
Mutual Funds	45,371,739	-	-	45,371,739
Investments at Fair Value	<u>\$ 48,087,673</u>	<u>\$ 8,240,728</u>	<u>\$ -</u>	56,328,401
Alternative Investments at NAV				26,608,328
Total Investments				<u>\$ 82,936,729</u>
<b>Other Assets and Liabilities:</b>				
Pledge Receivables - Current	\$ -	\$ 4,960,530	\$ -	\$ 4,960,530
Pledge Receivables - Noncurrent	-	6,390,721	-	6,390,721
Beneficial Interest in a Trust Agreement	-	-	186,258	186,258
Obligation Under Trust Agreement	-	-	(35,345)	(35,345)
Gift Annuities - Other Liabilities	-	(2,303,344)	-	(2,303,344)

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.

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**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, 2018:

	Beneficial Interest in a Trust Agreement	Obligation Under Trust Agreements
January 1, 2018	\$ 223,989	\$ (54,798)
Net Purchases (Sales)	(11,979)	-
Distributions	(15,615)	-
Change in Value	-	19,453
Trust Fees	(4,625)	-
Unrealized and Realized Gains	(5,512)	-
December 31, 2018	<u>\$ 186,258</u>	<u>\$ (35,345)</u>

**Assets Measured Using Net Asset Value**

Investments that are measured at net asset value per share as of December 31, 2018:

2018 Investment	2018 Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Archipelago Holdings, Ltd.	\$ 3,182,053	\$ -	Quarterly	45 days
Brandywine Global Investment Management Trust: Global Opportunistic Fixed Income Fund	1,994,882	-	Daily	10 days
Forester Offshore Ltd.	1,496,515	-	Annual	95 days
IR&M Intermediate Fund LLC	7,366,363	-	Daily	2 days
Wellington Trust Company, NA CTF Diversified Inflation Hedges Portfolio	2,634,690	-	Quarterly	45 days
Anchorage Capital Partners Offshore LTD.	1,701,392	-	Bi-Annual	45 days
Davidson Kempner International LTD	1,743,868	-	Quarterly	60 days
HBK Multi-Strategy Offshore Fund Ltd.	1,853,195	-	Quarterly	90 days
The Kiltearn Global Equity Fund	4,478,560	-	Monthly	6 days
Tailwind Capital Partners III	<u>156,810</u>	1,343,191	Illiquid	Illiquid
Total Investments Measured at NAV	<u>\$ 26,608,328</u>			

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**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, 2018:

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 Kiltarn Global Equity Fund	Commingled Fund	The Kiltarn Global Equity Fund is a value-oriented strategy designed to find the stocks with the greatest discount to intrinsic value across the globe.
Tailwind Capital Partners III	Private Equity	Tailwind Capital is a private equity investment firm that invests in middle market and growth-oriented companies operating in the healthcare, industrial, and business service sectors

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**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 2015 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, 2018.

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, 2017:

City of St. Louis	\$ 301,000
St. Louis County	<u>177,000</u>
Total	<u><u>\$ 478,000</u></u>

Information regarding reduction in tax revenues due to abatements to the Zoo subdistrict for year ended December 31, 2018 was unavailable.

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**NOTE 19 FUNCTIONAL EXPENSE**

The Saint Louis Zoo Association was established to support and enhance the Saint Louis Zoo. The Association allocates its expenses on a functional basis to its programs and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are primarily allocated based on various statistical bases and management's estimates.

The following is a detail of the Association's expenses by functional classification for the year ended December 31, 2018.

	<u>PROGRAM</u>	<u>ADMINISTRATIVE AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 1,688,985	\$ 645,927	\$ 146,368	\$ 2,481,280
Pension	164,125	71,648	2,316	238,089
Other Benefits	114,485	45,121	-	159,606
P/R Tax	122,471	45,724	10,916	179,111
Information Technology	57,959	44,316	-	102,275
Pledge Discount	138,523	-	-	138,523
Legal/Audit/Consulting	1,500	1,710,979	17,854	1,730,333
Investment Mgmt Fees	-	225,620	-	225,620
Bank Charges	216,298	50,841	35,865	303,004
Office Expense	30,218	17,698	9,060	56,976
Travel	10,336	6,959	-	17,295
Entertainment	1,320	48,806	125,435	175,561
Donor Cultivation	40,866	63,162	4,486	108,514
Gift Annuity Expense	-	209,081	-	209,081
Supplies	160,928	258,842	464,560	884,330
Printing and Graphics	134,702	291,839	47,485	474,026
Postage	205,813	84,121	27,511	317,445
Insurance	7,351	72,220	-	79,571
Equipment Service and Rental	5,131	1,020	-	6,151
Rentals (Events)	-	22,307	42,357	64,664
Cost of Sales	-	-	9,569	9,569
Marketing	77,492	55,683	7,662	140,837
Other Expenses	180,411	90,692	9,947	281,050
Utilities	919	56,982	-	57,901
Support to the Zoo	16,274,237	-	-	16,274,237
Transfers to WildCare Institute	278,352	-	-	278,352
Endowment Harvest	1,513,275	-	-	1,513,275
<b>Total Expenses</b>	<b>\$ 21,425,697</b>	<b>\$ 4,119,588</b>	<b>\$ 961,391</b>	<b>\$ 26,506,676</b>

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**NOTE 20 LIQUIDITY AND AVAILABILITY**

The Saint Louis Zoo Association regularly monitors its financial assets; striving to maintain liquidity to cover the needs of the Saint Louis Zoo for a 12-month period, while also maximizing the investment of its funds. Qualifying needs of the Zoo include, but are not limited to; short term borrows to cover operational costs, capital projects funded by the Association, strategic activities related to Association run campaigns and initiatives, as well other special projects undertaken on behalf of the Zoo.

The Saint Louis Zoo Association manages its liquidity reserves by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations can be met. The Association works with the Zoo to forecast future cash flows and obligations, and adjusts short-term holdings accordingly to meet liquidity needs. In addition the Association maintains a \$10 million line of credit to meet emergency needs. To date the Association has never drawn on this line of credit, and the full \$10 million is still available if needed in excess of the available funds detailed below.

The following table reflects the Associations financial assets as of December 31, 2018, reduced by the amounts that are not available to meet general expenditures within one year of the statement of net position. Amounts not available include those funds held in investment strategies with redemption limitations, funds with contractual restrictions, as well as funds with internal or donor designations.

Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 18,317,333
Investments	83,122,987
Pledge Receivables	11,351,251
Misc Receivables	<u>4,878,350</u>
Total Financial Assets	<u>117,669,921</u>
Less Amounts Not Available to be Used Within One Year:	
Investments in Nonliquid Securities	(79,866,560)
Pledge Receivables on Restricted Gifts	<u>(6,805,603)</u>
Total Financial Assets Not Available within One Year	<u>(86,672,163)</u>
Financial Assets Available to Meet Expenditures within One Year	<u><u>\$ 30,997,758</u></u>

**NOTE 21 SUBSEQUENT EVENTS**

The Saint Louis Zoo has evaluated subsequent events through March 29, 2019, the date the financial statements were available to be issued.



**REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED**

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 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
 YEAR ENDED DECEMBER 31, 2018**

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

	12/31/2018*	12/31/2017**	12/31/2016***
Zoo's proportion of the net pension liability	8.00 %	7.74 %	7.58 %
Zoo's proportionate share of the net pension liability	\$ 13,539,488	\$ 13,438,511	\$ 15,870,903
Zoo's covered-employee payroll	\$ 19,319,335	\$ 18,637,840	\$ 17,409,254
Zoo's proportionate share of the net pension liability as a percentage of its covered-employee payroll	70.08 %	72.10 %	91.16 %
Plan fiduciary net position as a percentage of the total pension liability	83.00 %	82.46 %	78.50 %

\*The amounts presented for fiscal year were determined as of 9/30/2018.  
 \*\*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.

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

**Schedule of Contributions**

	12/31/2018*	12/31/2017**	12/31/2016***
Contractually Required Contribution	\$ 2,349,658	\$ 2,303,941	\$ 2,436,862
Contributions in Relation to the Contractually Required Contribution	(2,349,658)	(2,303,941)	(2,436,862)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Zoo's Covered-Employee Payroll	\$ 19,319,335	\$ 18,637,840	\$ 17,409,254
Contributions as a Percentage of Covered Employee Payroll	12.16 %	12.36 %	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 9/30/2018.  
 \*\*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.

**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, 2018.

Contribution rates to ERS for the Zoo were:

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 %
January 1 - June 30, 2018	12.13 %
July 1 - December 31, 2018	12.27 %

**SUPPLEMENTARY INFORMATION – AUDITED**

**SAINT LOUIS ZOO  
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 SCHEDULE OF OTHER OPERATION REVENUES AND EXPENDITURES  
 YEAR ENDED DECEMBER 31, 2018  
 (WITH COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE  
 YEARS ENDED DECEMBER 31, 2018 AND 2017)**

	2018		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
<b>OTHER OPERATING REVENUES</b>				
Endocrinology Lab Fees	\$ 97,142	\$ -	\$ 97,142	\$ 83,872
Miscellaneous Income	867,283	889	856,172	1,195,582
<b>Total Other Operating Revenues</b>	<b>\$ 964,425</b>	<b>\$ 889</b>	<b>\$ 953,314</b>	<b>\$ 1,279,454</b>
<b>OTHER OPERATING EXPENDITURES</b>				
Staff Benefits and Development	\$ 245,830	\$ -	\$ 245,830	\$ 206,347
Loss on Stock Gift/Fees/Commissions	-	164,327	164,327	86,430
Machinery and Equipment Purchases (Noncapitalizable)	113,385	3,502	116,887	203,897
Dues/Subscriptions/Registration Fees	133,457	20,420	153,877	144,700
Rentals	-	64,664	64,664	56,679
Creative Development	-	7,000	7,000	7,000
Grant Expenses	156,719	-	156,719	120,102
Pledge Discount/Bad Debt Expense	-	138,523	138,523	80,621
Gift Annuity Expense	-	209,081	209,081	199,249
Entertainment	-	175,561	175,561	297,530
Traveling Exhibit Services	409,020	-	409,020	409,020
Other Outside Services	380,793	-	380,793	340,057
Contribution Expense	-	-	-	500,000
Miscellaneous	570,206	134,560	692,766	628,613
<b>Total Other Operating Expenditures</b>	<b>\$ 2,009,410</b>	<b>\$ 917,638</b>	<b>\$ 2,915,048</b>	<b>\$ 3,280,245</b>

\* 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  
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 COMBINING AND COMBINED STATEMENT OF NET POSITION (UNAUDITED)  
 DECEMBER 31, 2018  
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017)**

	2018	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents (Note 3)	\$ 1,902,377	\$ 18,317,333
Due from Zoo Museum District, Net (Note 1)	18,267,838	-
Pledges Receivable, Net (Note 6)	-	4,960,530
Miscellaneous Receivables	309,111	822,095
Due from Component Unit, Net (Note 2)	-	4,283,707
Inventories	865,811	11,768
Prepaid Expenses	513,244	58,857
Accrued Interest Receivable	-	69,948
	21,858,381	28,524,238
<b>LONG-TERM INVESTMENTS (NOTE 3)</b>	-	82,936,729
<b>BENEFICIAL INTEREST IN A TRUST AGREEMENT (NOTE 5)</b>	-	186,258
<b>PLEDGES RECEIVABLE, NONCURRENT, NET (NOTE 6)</b>	-	6,390,721
<b>OTHER ASSETS (NOTE 7)</b>	-	1,308,237
<b>PROPERTY AND EQUIPMENT (NOTE 8)</b>	117,682,978	-
<b>DEFERRED OUTFLOW OF RESOURCES (NOTE 9)</b>	1,332,761	-
Total Assets and Deferred Outflow of Resources	\$ 140,874,120	\$ 119,346,183

2018		
Eliminating Entries	Combined Total	2017
\$ -	\$ 20,219,710	\$ 24,203,390
-	18,267,838	16,457,613
-	4,960,530	4,474,842
-	1,131,206	1,263,155
(4,283,707)	-	-
-	877,579	760,324
-	572,101	499,104
-	69,948	59,818
(4,283,707)	46,098,912	47,718,246
-	82,936,729	85,676,423
-	186,258	223,989
-	6,390,721	6,359,524
-	1,308,237	1,308,237
-	117,682,978	114,603,964
-	1,332,761	1,004,612
<u>\$ (4,283,707)</u>	<u>\$ 255,936,596</u>	<u>\$ 256,894,995</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, 2018  
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017)**

	2018	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,794,854	\$ 604,955
Accrued Expenses and Other Liabilities (Note 1)	1,257,466	549,179
Due to Component Unit, Net (Note 2)	4,283,707	-
Deferred Support and Income (Note 10)	490,119	166,282
Total Current Liabilities	7,826,146	1,320,416
<b>OTHER LIABILITIES (NOTE 1)</b>	-	1,989,116
<b>OBLIGATION UNDER TRUST AGREEMENT (NOTE 5)</b>	-	35,345
<b>POSTEMPLOYMENT OBLIGATIONS (NOTE 12)</b>	574,041	-
<b>NET PENSION LIABILITY (NOTE 9)</b>	13,539,488	-
<b>DEFERRED INFLOW OF RESOURCES (NOTE 9)</b>	808,624	-
Total Liabilities and Deferred Inflow of Resources	22,748,299	3,344,877
<b>NET POSITION (NOTE 11 AND NOTE 15)</b>		
Invested in Capital Assets	117,682,978	-
Restricted for:		
Expendable		
Endowment - Donor Restricted	-	12,946,832
Capital Projects - Donor Restricted	-	12,202,468
Nonexpendable		
Endowment - Donor Restricted	-	33,144,886
Unrestricted	442,843	57,707,120
Total Net Position	118,125,821	116,001,306
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 140,874,120	\$ 119,346,183



2018		
Eliminating Entries	Combined Total	2017
\$ -	\$ 2,399,809	\$ 2,293,052
-	1,806,645	1,807,827
(4,283,707)	-	-
-	656,401	549,022
(4,283,707)	4,862,855	4,649,901
-	1,989,116	2,006,664
-	35,345	54,798
-	574,041	556,079
-	13,539,488	13,438,511
-	808,624	318,357
(4,283,707)	21,809,469	21,024,310
-	117,682,978	114,603,964
-	12,946,832	20,034,444
-	12,202,468	6,985,745
-	33,144,886	32,586,774
-	58,149,963	61,659,758
-	234,127,127	235,870,685
<u>\$ (4,283,707)</u>	<u>\$ 255,936,596</u>	<u>\$ 256,894,995</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, 2018  
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)**

	2018	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
<b>OPERATING REVENUES</b>		
Food and Beverage	\$ 11,675,616	\$ -
Contributions	-	13,483,235
Membership Dues and Parent Program	-	4,843,060
Retail	5,284,836	-
Parking Lot	3,206,572	-
Attractions	2,599,664	-
Sponsorship and Event	242,730	1,754,993
Other	964,425	889
Marlin Perkins Society	-	2,293,470
Education	1,620,406	-
Children's Zoo	676,502	-
ZOOFARI and A ZOO ADO	-	606,661
Visitor Relations	276,601	-
Sea Lion Show	370,684	-
Sales and Catering	646,605	-
WildCare Institute	267,633	-
Total Operating Revenues	27,832,274	22,982,308
<b>OPERATING EXPENSES</b>		
Salaries and Wages	24,944,869	4,511,280
Fringe Benefits	7,050,933	576,806
Merchandise	5,520,650	9,570
Animal Food and Medical Care	1,274,066	-
Utilities	3,138,671	55,025
Supplies	1,244,405	942,715
Property and Liability Insurance	702,840	72,220
Computer and IT Maintenance	459,553	60,709
Financial Institution Charges	22,598	412,473
Donor and Member Recognition	-	215,709
Postage	47,514	317,445
Service Fees	527,404	51,479
Other Operating Expenditures	2,009,410	917,638
Conservation and Research	876,917	-
Travel	268,161	17,295
Legal/Audit/Consulting	504,269	1,730,333
Repairs and Maintenance	1,024,893	-
Printing and Graphics	139,482	467,346
Marketing	1,601,846	112,770
Animal Sales and Purchases, Net	97,358	-
Major Expense	641,401	-
Depreciation (Note 8)	11,359,900	-
Total Operating Expenses	63,457,140	10,470,813
Operating Income (Loss)	(35,624,866)	12,511,495

2018			
Eliminating Entries	Combined Total	2017	
\$ -	\$ 11,675,616	\$ 11,910,297	
-	13,483,235	11,634,344	
-	4,843,060	4,861,140	
-	5,284,836	5,433,219	
-	3,206,572	3,751,387	
-	2,599,664	2,995,346	
-	1,997,723	1,730,471	
(12,000)	953,314	1,279,454	
-	2,293,470	2,264,268	
-	1,620,406	1,582,285	
-	676,502	705,799	
-	606,661	1,017,949	
-	276,601	290,779	
-	370,684	432,542	
-	646,605	489,238	
-	267,633	167,855	
(12,000)	50,802,582	50,546,373	
-	29,456,149	27,668,688	
-	7,627,739	7,256,305	
-	5,530,220	5,490,779	
-	1,274,066	1,151,931	
-	3,193,696	2,918,856	
-	2,187,120	2,172,412	
-	775,060	708,934	
-	520,262	553,623	
-	435,071	416,468	
-	215,709	328,794	
-	364,959	322,164	
-	578,883	511,958	
(12,000)	2,915,048	3,280,245	
-	876,917	863,393	
-	285,456	270,166	
-	2,234,602	834,879	
-	1,024,893	1,170,847	
-	606,828	595,210	
-	1,714,616	1,826,339	
-	97,358	95,013	
-	641,401	429,944	
-	11,359,900	11,293,571	
(12,000)	73,915,953	70,160,519	
-	(23,113,371)	(19,614,146)	

**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, 2018**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)**

	2018	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Loss on Disposal of Property and Equipment	\$ (54,710)	\$ -
Tax Revenue, Net (Note 1)	22,743,360	-
Investment Income (Loss)	64,537	(4,775,721)
Bequest and Endowment Contributions	-	3,392,347
Total Nonoperating Revenues	22,753,187	(1,383,374)
Income (Loss) Before Transfers of Contributions	(12,871,679)	11,128,121
<b>TRANSFERS OF CONTRIBUTIONS</b>		
Parent Program	479,248	(479,248)
Capital Projects	15,758,988	(15,758,988)
WildCare Institute	278,352	(278,352)
Endowment Distribution (Note 15)	1,513,275	(1,513,275)
Carousel	36,000	(36,000)
Shared Services (Note 1)	(2,030,000)	2,030,000
Total Transfers of Contributions	16,035,863	(16,035,863)
<b>CHANGES IN NET POSITION</b>	3,164,184	(4,907,742)
Net Position - Beginning of Year	114,961,637	120,909,048
<b>NET POSITION - END OF YEAR</b>	\$ 118,125,821	\$ 116,001,306

2018		
Eliminating Entries	Combined Total	2017
\$ -	\$ (54,710)	\$ (37,675)
-	22,743,360	22,632,098
-	(4,711,184)	11,402,092
-	3,392,347	3,962,584
-	21,369,813	37,959,099
-	(1,743,558)	18,344,953
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	(1,743,558)	18,344,953
-	235,870,685	217,525,732
\$ -	\$ 234,127,127	\$ 235,870,685

**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, 2018  
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)**

	2018	
	Primary Government <u>Saint Louis Zoological Subdistrict</u>	Component Unit <u>Saint Louis Zoo Association</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Patrons/Contributors	\$ 27,673,191	\$ 24,876,297
Cash Paid to Employees and Suppliers	(53,857,683)	(10,563,449)
Cash Received from (Paid to) Component Unit for Operations	<u>3,409,336</u>	<u>(3,409,336)</u>
Net Cash Provided (Used) by Operating Activities	(22,775,156)	10,903,512
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Received from Property Tax Assessments	20,933,135	-
Cash Contributions Received for Board Restricted	-	2,834,232
Cash Contributions Received for Permanent Endowment	<u>-</u>	<u>558,112</u>
Net Cash Provided by Noncapital Financing Activities	20,933,135	3,392,344
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Received from (Paid to) Component Unit for Property and Equipment	16,096,482	(16,096,482)
Payments for Property and Equipment	(14,493,627)	-
Cash Received from Grants	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	1,602,855	(16,096,482)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Maturities and Sales	-	862,742
Investment Purchases	-	(3,537,053)
Cash Received from Investment Earnings	<u>64,537</u>	<u>665,886</u>
Net Cash Provided (Used) by Investing Activities	<u>64,537</u>	<u>(2,008,425)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(174,629)	(3,809,051)
Cash and Cash Equivalents – Beginning of Year	<u>2,077,006</u>	<u>22,126,384</u>
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	<u>\$ 1,902,377</u>	<u>\$ 18,317,333</u>

2018		
Eliminating Entries	Combined Total	2017
\$ -	\$ 52,549,488	\$ 49,262,387
-	(64,421,132)	(60,671,747)
-	-	-
-	(11,871,644)	(11,409,360)
-	20,933,135	21,629,971
-	2,834,232	3,627,664
-	558,112	334,923
-	24,325,479	25,592,558
-	-	-
-	(14,493,627)	(7,289,500)
-	-	-
-	(14,493,627)	(7,289,500)
-	862,742	8,350,000
-	(3,537,053)	(13,168,920)
-	730,423	181,191
-	(1,943,888)	(4,637,729)
-	(3,983,680)	2,255,969
-	24,203,390	21,947,421
\$ -	\$ 20,219,710	\$ 24,203,390

**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, 2018  
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)**

	2018	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (35,624,866)	\$ 12,511,495
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	11,359,900	-
Transfers of Shared Services	(2,030,000)	2,030,000
Due to/from Component Unit	3,409,336	(3,409,336)
(Increase) Decrease in Assets:		
Pledges Receivable	-	(516,885)
Miscellaneous Receivables	(204,669)	336,618
Inventories	(118,276)	1,021
Prepaid Expenses	(86,276)	13,279
(Increase) Decrease in Deferred Outflows of Resources	(328,149)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	107,913	(1,151)
Accrued Expenses and Other Current Liabilities	85,148	(103,878)
Postemployment Obligations	17,962	-
Obligation Under Trust Agreement	-	(19,453)
Net Pension Liability	100,977	-
Unearned Support and Income	45,577	61,802
Increase (Decrease) in Deferred Inflows of Resources	490,267	-
	<b>\$ (22,775,156)</b>	<b>\$ 10,903,512</b>



2018			
Eliminating Entries	Combined Total	2017	
\$ -	\$ (23,113,371)	\$ (19,614,146)	
-	11,359,900	11,293,571	
-	-	-	
-	-	-	
-	(516,885)	(3,900,756)	
-	131,949	605,502	
-	(117,255)	(38,150)	
-	(72,997)	44,947	
-	(328,149)	2,931,239	
-	106,762	(583,023)	
-	(18,730)	322,448	
-	17,962	1,287	
-	(19,453)	(6,406)	
-	100,977	(2,432,392)	
-	107,379	97,194	
-	490,267	(130,675)	
<u>\$ -</u>	<u>\$ (11,871,644)</u>	<u>\$ (11,409,360)</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, 2018  
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)**

	2018	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
<b>OTHER OPERATING REVENUES</b>		
Safari and Class Passes		
Endocrinology Lab Fees	\$ 97,142	\$ -
Miscellaneous Income	867,283	889
	\$ 964,425	\$ 889
<b>OTHER OPERATING EXPENDITURES</b>		
Staff Benefits and Development	\$ 245,830	\$ -
Loss on Stock Gift/Fees/Commissions	-	164,327
Machinery and Equipment Purchases (Noncapitalizable)	113,385	3,502
Dues/Subscriptions/Registration Fees	133,457	20,420
Rentals	-	64,664
Creative Development	-	7,000
Grant Expenses	156,719	-
Pledge Discount/Bad Debt Expense	-	138,523
Gift Annuity Expense	-	209,081
Entertainment	-	175,561
Traveling Exhibit Services	409,020	-
Other Outside Services	380,793	-
Contribution Expense	-	-
Miscellaneous	570,206	134,560
	\$ 2,009,410	\$ 917,638
Total Other Operating Expenditures		

<u>2018</u>		
<u>Eliminating Entries</u>	<u>Combined Total</u>	<u>2017</u>
\$ -	\$ 97,142	\$ 83,872
<u>(12,000)</u>	<u>856,172</u>	<u>1,195,582</u>
<u>\$ (12,000)</u>	<u>\$ 953,314</u>	<u>\$ 1,279,454</u>
\$ -	\$ 245,830	\$ 206,347
-	164,327	86,430
-	116,887	203,897
-	153,877	144,700
-	64,664	56,679
-	7,000	7,000
-	156,719	120,102
-	138,523	80,621
-	209,081	199,249
-	175,561	297,530
-	409,020	409,020
-	380,793	340,057
-	-	500,000
<u>(12,000)</u>	<u>692,766</u>	<u>628,613</u>
<u>\$ (12,000)</u>	<u>\$ 2,915,048</u>	<u>\$ 3,280,245</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, 2018  
 COMBINED 2018 ACTUAL VS. 2018 BUDGET COMPARISON (UNAUDITED)**

	2018 Combined Actuals	2018 Combined Budget YTD	Over/(Under) Budget	% Change
*** ATTENDANCE ***	2,884,961	3,200,000	(315,039)	-9.84%
<b>OPERATING REVENUES</b>				
Food and beverage	\$ 11,675,616	\$ 12,033,312	\$ (357,696)	-2.97%
Contributions	13,483,235	2,344,000	11,139,235	475.22%
Gift shops	5,284,836	5,127,423	157,413	3.07%
WildCare Institute	267,633	100,000	167,633	167.63%
Attractions	2,599,664	2,969,118	(369,454)	-12.44%
Parking lot	3,206,572	3,636,592	(430,020)	-11.82%
Membership Dues and Parents Program	4,843,060	4,697,480	145,580	3.10%
ZOOFARI / A ZOO ADO	606,661	523,500	83,161	15.89%
Marlin Perkins Society	2,293,470	2,100,000	193,470	9.21%
Children's Zoo	676,502	787,690	(111,188)	-14.12%
Sponsorship and event revenue	1,997,723	1,688,950	308,773	18.28%
Sea Lion Show	370,684	489,017	(118,333)	-24.20%
Education	1,620,406	1,785,352	(164,946)	-9.24%
Visitor Relations	276,601	285,972	(9,371)	-3.28%
Group Sales & Tours	646,605	442,101	204,504	46.26%
Other	953,314	567,195	386,119	68.08%
<b>Total Operating Revenues</b>	<b>50,802,582</b>	<b>39,577,702</b>	<b>11,224,880</b>	<b>28.36%</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	29,456,149	29,063,201	392,948	1.35%
Fringe benefits	7,627,739	7,371,158	256,581	3.48%
Merchandise	5,530,220	5,678,803	(148,583)	-2.62%
Animal food and medical care	1,274,066	1,187,242	86,824	7.31%
Utilities	3,193,696	3,140,842	52,854	1.68%
Supplies	2,187,120	2,380,321	(193,201)	-8.12%
Property and liability insurance	775,060	779,009	(3,949)	-0.51%
Other operating expenditures	2,915,048	2,412,780	502,268	20.82%
Conservation & Research	876,917	920,308	(43,391)	-4.71%
Travel	285,456	384,857	(99,401)	-25.83%
Financial institution charges	435,071	317,580	117,491	37.00%
Service fees	578,883	545,701	33,182	6.08%
Donor Recognition	215,709	290,107	(74,398)	-25.64%
Computer & IT maintenance	520,262	562,305	(42,043)	-7.48%
Postage	364,959	383,964	(19,005)	-4.95%
Legal/Audit/Consulting	2,234,602	979,835	1,254,767	128.06%
Repairs and maintenance	1,024,893	1,204,981	(180,088)	-14.95%
Creative Services	606,828	717,053	(110,225)	-15.37%
Marketing	1,714,616	1,732,019	(17,403)	-1.00%
Animal sales and purchases, net	97,358	119,000	(21,642)	-18.19%
Major Expense	641,401	274,314	367,087	133.82%
Depreciation	11,359,900	12,500,000	(1,140,100)	-9.12%
<b>Total Operating Expenses</b>	<b>73,915,953</b>	<b>72,945,380</b>	<b>970,573</b>	<b>1.33%</b>
<b>Operating Income (Loss)</b>	<b>\$ (23,113,371)</b>	<b>\$ (33,367,678)</b>	<b>\$ 10,254,308</b>	<b>-30.73%</b>

**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, 2018  
 COMBINED 2018 ACTUAL VS. 2018 BUDGET COMPARISON (UNAUDITED) (CONTINUED)**

	<b>2018 Combined Actuals</b>	<b>2018 Combined Budget YTD</b>	<b>Over/(Under) Budget</b>	<b>% Change</b>
<b>NONOPERATING REVENUES</b>				
Loss on disposal of fixed assets	(54,710)	-	(54,710)	100.00%
Tax Revenue (Net)	22,743,360	21,710,727	1,032,633	4.76%
Investment income (loss)	(4,711,184)	4,767,845	(9,479,029)	-198.81%
Endowment Contributions	3,392,347	1,655,000	1,737,347	104.98%
<b>Total Nonoperating Revenues</b>	<b>21,369,813</b>	<b>28,133,572</b>	<b>(6,763,759)</b>	<b>-24.04%</b>
<b>Income (Loss) Before Transfers</b>	<b>(1,743,558)</b>	<b>(5,234,106)</b>	<b>3,490,549</b>	<b>-66.69%</b>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Transfer In (Zoo) - Program Contributions	761,200	694,182	67,018	9.65%
Transfer Out (Assn) - Program Contributions	(761,200)	(694,182)	(67,018)	9.65%
Transfer In (Zoo) - Capital Contributions	15,758,988	1,000,000	14,758,988	1475.90%
Transfer Out (Assn) - Capital Contributions	(15,758,988)	(1,000,000)	(14,758,988)	1475.90%
Transfer In (Zoo) - Endowment Harvest	1,513,275	1,513,275	-	0.00%
Transfer Out (Assn) - Endowment Harvest	(1,513,275)	(1,513,275)	-	0.00%
Transfer Out (Zoo) - Shared Services	(2,030,000)	(2,000,000)	(30,000)	1.50%
Transfer In (Assn) - Shared Services	2,030,000	2,000,000	30,000	1.50%
<b>Total Contributions and Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>CHANGES IN NET POSITION</b>	<b>\$ (1,743,558)</b>	<b>\$ (5,234,106)</b>	<b>\$ 3,490,549</b>	<b>-66.69%</b>

**SAINT LOUIS ZOO  
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ATTENDANCE

Zoo attendance for 2018 was below its target, finishing the year with 2,884,961 visitors. This was 315,039 visitors below budget and was 232,152, or 7.45%, lower than prior year. A cold and rainy spring followed by a hot summer caused declines in key months. Despite favorable weather in the fall, attendance numbers never fully recovered and ended below initial projections.

<u>5 Year Average</u>	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
3,168,023	2,884,961	3,200,000	(315,039)	(9.84%)

FOOD SERVICE

Food Service experienced strong per capita spending in 2018, partially thanks to the opening of the new Starbucks facility and a second Tiki Fruiti location, however, due to the lower overall attendance in 2018, Food Service came in under budget for the year.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Sales	\$11,675,616	\$12,033,312	(\$357,696)	(2.97%)
Per Capita	\$4.05	\$3.76	\$0.29	7.62%
Net	\$4,124,896	\$4,468,169	(\$343,272)	(7.68%)

RETAIL

Retail revenue exceeded the 2018 budgeted amount by \$157,413, but was \$148,381 (2.73%) lower than 2017 levels. Thanks to strong per capita spending and the opening of the Candy Crossing shop, retail was able to exceed its budget despite lower attendance numbers.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Sales	\$5,284,836	\$5,127,423	\$157,413	3.07%
Per Capita	\$1.83	\$1.60	\$0.23	14.33%
Net	\$2,077,113	\$1,948,133	\$128,981	6.62%

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**PARKING LOTS**

Parking Lot revenue ended the year unfavorable to budget due to lower than anticipated attendance numbers throughout the year. In addition Forest Park’s 2017 road renovations resulted in additional spaces available in the park, decreasing demand within the lots in 2018. This resulted in a \$544,815, or 14.52%, decrease from 2017 when road construction in the Forest Park drove up parking lot revenue.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$3,206,572	\$3,636,592	(\$430,020)	(11.82%)
Per Capita	\$1.11	\$1.14	(\$.02)	(2.20%)
Net	\$2,718,029	\$3,171,437	(\$453,409)	(14.30%)

**ATTRACTIONS (RAILROAD, CAROUSEL, 4-D Theater)**

Attractions revenue ended the year unfavorable to budget with all three attractions seeing revenues fall below budget. This is primarily due to lower than anticipated attendance throughout the year. In addition construction on Zoo grounds resulted in the railroad being shut down for a portion of the year driving down revenue.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$2,599,664	\$2,969,118	(\$369,454)	(12.44%)
Per Capita	\$.90	\$.93	(\$.03)	(2.88%)
Net	\$1,256,568	\$1,517,310	(\$260,742)	(17.18%)

**CHILDREN'S ZOO**

Children’s Zoo revenue fell short of 2018 projections due to lower than anticipated attendance throughout the year. In addition, construction within the Children’s Zoo during the year resulted in reduced ticket sales. Note these figures do not include approximately \$218,000 in funds from donations and endowment harvests. Annually, these funds transfer to the Emerson Children’s Zoo as non-operating revenue/program contributions, helping to offset expenses.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$676,502	\$787,690	(\$111,188)	(14.12%)
Per Capita	\$.23	\$.25	(\$.02)	(4.74%)
Net	(\$554,350)	(\$508,596)	(\$45,754)	(9.00%)

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SEA LION SHOW

The Sea Lion Show fell below 2018 revenue projections by \$118,333 primarily due to lower than anticipated Zoo attendance throughout the year, coupled with reduced individual tickets and adventure pass sales. In addition, there were no shows for the last two weeks of the lucrative summer season due to staffing issues, resulting in lost revenue.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$370,684	\$489,017	(\$118,333)	(24.20%)
Per Capita	\$.13	\$.15	(\$.02)	(15.92%)
Net	\$11,995	\$167,114	(\$155,119)	(92.82%)

VISITOR RELATIONS

Visitor Relations, which includes third party revenue streams such as caricatures, photo booths, penny press machines, etc., underperformed its 2018 budget mainly due to lower than anticipated attendance throughout the year. This coupled with higher than anticipated commission costs resulted in reduced revenue and net income.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$276,601	\$285,972	(\$9,371)	(3.28%)
Per Capita	\$.10	\$.09	\$.01	7.29%
Net	\$193,363	\$169,891	\$23,472	13.82%

EDUCATION

Education revenue was unfavorable to budget due to several factors. Overnights decreased due to the conversion of Peabody Hall, which had previously been used to host indoor nights, into office space. This coupled with inclement weather reducing the number of outdoor overnights resulted in lost revenue. Birthday party revenue decreased as a result of classrooms being unavailable due to flooding and construction issues. Finally reduced participation by 4-5 year olds in the preschool program resulted in reduced tuition funds.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$1,620,406	\$1,785,352	(\$164,946)	(9.24%)
Net	(\$1,263,731)	(\$1,131,141)	(\$132,590)	(11.72%)



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**GROUP SALES & TOURS**

Group Sales & Tours revenue ended the year favorable to budget by \$204,504 primarily due to continued growth in the behind-the-scenes tours program which experienced another record year in 2018. This coupled with additional group sales resulted in a positive budget variance.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$646,605	\$442,101	\$204,504	46.26%
Net	(\$268,903)	(\$454,053)	\$185,150	40.78%

**TAX REVENUE (NET)**

Tax Revenue recorded was \$1,032,633, or 4.76%, favorable to budget, and \$111,262, or .49%, greater than 2017. This includes an allowance of uncollectible taxes of \$86,994 for 2018. The 2018 tax rate was 7.77 cents per \$100 of assessed property value out of a maximum allowable 8 cents, this is .09 cents higher than prior year's rate.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$22,743,360	\$21,710,727	\$1,032,633	4.76%

**INVESTMENT INCOME (LOSS)**

Due to poor market performance in Q4 the investment portfolio experienced a loss of \$4,711,184 in 2018. This was \$9,479,029 (198.81%) below budget, and \$16,113,273 below 2017 results when the portfolio experienced substantial growth.

	<u>2018 Actual</u>	<u>2018 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
	(\$4,711,184)	\$4,767,845	(\$9,479,029)	(198.81%)

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**SUPPORT**

Contributions – Contributions of \$13,483,235 exceeded the budget of \$2,344,000 by \$11,139,235. This large variance was mainly attributable to a single large gift associated with the purchase of the north St. Louis County property. This, in addition to several large gifts related to the Primate Canopy Trails project, has resulted in the large positive variance.

Bequest & Endowment Contributions – Endowment contributions of \$3,392,347 exceeded the budget of \$1,655,000 by \$1,737,347. The Zoo was the beneficiary of several large bequests in 2018 including an individual gift of \$1 million as well as two \$500,000 bequests.

Membership Dues and Parent Program – Membership and Parent Program ended the year at \$4,843,060, exceeding its revenue budget of \$4,697,480 by \$145,580. The Parents Program continued to grow exceeding 2017 revenue by \$68,088 (16.56%), however Membership saw a slight decrease year to year, decreasing \$86,163 (1.94%) primarily due to declines in the Zoo-Goer and Family levels. This coupled with savings related to mailhouse and postage expenses resulted in Membership and the Parent Program having net income of \$3,158,073, which was \$349,609 (12.45%) over its \$2,808,464 budget.

ZOOFARI/A Zoo Ado – 2018 was an A Zoo Ado year. Event revenue came in above budget at \$606,661 due to higher than anticipated underwriting proceeds. This resulted in a net income of \$357,172 which was \$68,946 above the \$288,226 budget.

Marlin Perkins Society – The Marlin Perkins Society ended the year with a positive budget variance of \$193,470, or 9.21%. The Society had all-time high revenue of \$2,293,470, and reached a record membership level of 1,184. The Society's net income of \$1,785,699 exceeded the budget of \$1,507,603 by \$278,096 or 18.45%.

**SALARIES**

Salaries expense ended the year over budget by \$392,948 (1.35%). The primary factors to this variance were a higher than anticipated supplemental compensation payout, as well as additional staffing needs throughout the Zoo, particularly within the Animal Division, which resulted in overages.

**FRINGE BENEFITS**

Fringes were \$256,581, or 3.48%, unfavorable to budget primarily due to the Zoo's pension expense related to the current net pension liability. This was slightly offset by savings related to group insurance rates.

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**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 \$148,583 (2.62%) below budget due to lower-than-budgeted sales generated by the Food Service, and Outside Vendor operations.

**ANIMAL FOOD AND MEDICAL CARE**

Animal Food & Medical Care was \$86,824 unfavorable to budget primarily due to higher than anticipated costs related to fish and hay throughout the year, as well as increased need for whole prey related to the growing cheetah cubs.

**UTILITIES**

Utility expenditures ended the year \$52,854, or 1.68%, unfavorable to budget. While the Zoo in Forest Park experienced savings related to water saving efforts, the additional unbudgeted utility costs related to the newly acquired North Campus resulted in the negative variance.

**SUPPLIES**

Overall supply spending was \$193,201 favorable to budget for 2018. This variance was driven by a variety of accounts coming in under budget including food & beverage, education, exhibits, aquatic supplies, basin salt, and uniforms.

**PROPERTY & LIABILITY INSURANCE**

Property and liability insurance costs ended the year within 1% of its initial operating budget with a \$3,949 (.51%) positive variance.

**OTHER OPERATING EXPENDITURES**

Other operating expenditures ended the year unfavorable to budget by \$502,268. This variance is includes of a variety of items like grant and donation expenses, loss on donor stocks, and pledge discounts. Other operating expenses did come in below 2017 levels by \$371,151.

**ANIMAL SALES AND PURCHASES**

This category varies greatly from year to year based on the Zoo's collection plans. In 2018, the budget totaled \$119,000, versus actual spending of \$97,358.

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**LEGAL / AUDIT / CONSULTING**

Legal, audit and consulting expenses were \$1,245,767, or 128.06%, unfavorable to budget. This is due to additional costs associated with the due diligence and legal expenses related to the purchase of the north St. Louis County property, as well as costs associated with funding special consulting projects.

**CREATIVE SERVICES**

Creative Services costs were \$110,225, or 15.37%, favorable to budget mainly thanks to continued efforts to shift printing services in house. This coupled with reduced printing needs from several departments including Zoo Administration, Group Sales, and Development resulted in the overall positive variance.

**MARKETING**

Marketing expenses ended the year \$17,403, or 1%, favorable to budget. This is \$111,723, or 6.12%, below 2017 levels which included additional costs related to the "I Promise" and Grizzly Ridge advertising campaigns.

**CONSERVATION AND RESEARCH**

Conservation expenses ended the year \$43,391 favorable to budget. This variance is primarily attributed to slower than anticipated spending related to various conservation initiatives, coupled with some 2018 projects, including the Punta San Juan guano harvest, being canceled during the year.

**REPAIRS & MAINTENANCE**

Repairs and Maintenance expenditures were \$180,088, or 14.95% favorable to budget. Numerous capital projects throughout the year targeted infrastructure items. These projects which addressed ongoing issues resulted in a reduction in general maintenance and repair costs. Crews being occupied with capital projects as well as inclement weather also resulted in delays to maintenance spending.

**TRAVEL**

Travel expenses were favorable to budget by \$99,401 due certain trip cancellations, postponements, or scheduling issues.

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**MAJOR EXPENSE**

Major Expense ended the year unfavorable to budget by \$367,087. This was mainly attributable to unbudgeted expenses related to the repairs associated with several major storm events which occurred throughout the year, as well as costs associated with mold remediation and water main repairs.

**DEPRECIATION**

2018 Depreciation totaled \$11,359,900, which fell below the \$12,500,000 budget by \$1,140,100, however depreciation expense was \$66,329 over prior year. Peabody Hall and the initial phase of Candy Crossing and Starbucks were completed for capitalization in 2018. With no other major projects or exhibits completed in 2018, coupled with older projects reaching the end of their depreciable life resulted in depreciation expenses coming in 9.12% below budget.

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**COMBINING AND COMBINED STATEMENT OF ACTIVITIES**  
**AND CHANGES IN NET POSITION - CASH FLOW FORMAT (UNAUDITED)**  
**YEAR ENDED DECEMBER 31, 2018**

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2018 Combined Actuals	2018 Combined Total Budget
<b>Attendance:</b>				2,884,961	3,200,000
<b>Operating revenues:</b>					
Tax revenue	22,830,354	-	-	22,830,354	21,650,727
Allowance for uncollectible taxes expense	(86,994)	-	-	(86,994)	60,000
Sea Lion Shows	370,684	-	-	370,684	489,017
Building rent	322,910	-	-	322,910	242,100
Carousel	647,837	-	-	647,837	679,872
Children's Zoo	676,502	-	-	676,502	787,690
Education	1,620,406	-	-	1,620,406	1,785,352
Retail	5,284,836	-	-	5,284,836	5,127,423
Sales & Catering	319,977	-	-	319,977	200,001
Visitor Relations	276,601	-	-	276,601	285,972
Sponsorship and event revenue	242,730	1,754,993	-	1,997,723	1,688,950
Marlin Perkins Society	-	2,293,470	-	2,293,470	2,100,000
Membership dues	-	4,363,932	-	4,363,932	4,331,480
Misc. Contributions	-	105,717	-	105,717	94,000
Other	968,150	883	(12,000)	957,033	567,195
Parent Program	-	479,134	-	479,134	366,000
Parking lot	3,206,572	-	-	3,206,572	3,636,592
Railroad	1,825,834	-	-	1,825,834	2,124,370
Food Service	11,675,616	-	-	11,675,616	12,033,312
4D Theater	125,993	-	-	125,993	164,876
WildCare Institute	267,633	-	-	267,633	100,000
ZOOFARI / A ZOO ADO	-	606,661	-	606,661	523,500
Contributions - Unrestricted	-	1,396,323	-	1,396,323	1,500,000
Dividends and Interest (Zoo)	64,537	-	-	64,537	15,000
Endowment Harvest - Unrestricted	465,625	-	-	465,625	465,625
Endowment Harvest - Restricted	1,047,650	-	-	1,047,650	1,047,650
Endowment Investment Income (Limited by Expense)	-	767,518	-	767,518	660,989
<b>Total operating revenues</b>	<b>52,153,452</b>	<b>11,768,631</b>	<b>(12,000)</b>	<b>63,910,084</b>	<b>62,727,692</b>
<b>Operating expenses:</b>					
Salaries and wages	24,944,869	4,511,280	-	29,456,149	29,063,201
Fringe benefits	7,050,933	576,806	-	7,627,739	7,371,158
Animal food	899,891	-	-	899,891	815,660
Animal medical care	374,175	-	-	374,175	371,582
Animal sales and purchases, net	97,358	-	-	97,358	119,000
Marketing	1,601,846	112,770	-	1,714,616	1,732,019
Merchandise	5,522,900	9,570	-	5,532,470	5,678,803
Other operating expenditures	1,711,497	914,768	(12,000)	2,614,265	2,209,722
Conservation & Research	876,917	-	-	876,917	920,308
Travel	268,161	17,295	-	285,456	384,857
Legal/Audit/Consulting	494,561	1,730,333	-	2,224,893	979,835
Financial institution charges	22,598	412,473	-	435,071	317,580
Service fees	527,405	51,478	-	578,883	545,701
Donor & Member Recognition	-	215,709	-	215,709	290,107
Computer & IT maintenance	459,550	60,708	-	520,259	562,305
Postage	47,514	317,445	-	364,959	383,964
Printing and graphics	139,482	467,436	-	606,918	717,053
Property and liability insurance	702,840	72,220	-	775,060	779,009
Repairs and maintenance	1,025,123	-	-	1,025,123	1,204,981
Supplies	1,244,172	942,631	-	2,186,802	2,380,321
Utilities	3,138,671	57,902	-	3,196,573	3,140,842
Major Expense	396,356	-	-	396,356	-
Operating Capital Expenses	695,414	-	-	695,414	1,500,000
<b>Total operating expenses</b>	<b>52,242,238</b>	<b>10,470,815</b>	<b>(12,000)</b>	<b>62,701,056</b>	<b>61,468,008</b>
<b>TOTAL OPERATING CASH FLOW</b>	<b>(88,784)</b>	<b>1,297,817</b>	<b>-</b>	<b>1,209,027</b>	<b>1,259,685</b>
Operating Capital - Prior Years' Carryover	(4,464,461)	-	-	(4,464,461)	(4,971,056)
Operating Capital - Current Year Strat Ops Approvals	(929,216)	-	-	(929,216)	(1,092,321)
Operating Capital - Current Year Special Appropriations	(1,305,495)	-	-	(1,305,495)	-
Major Expense - Special Appropriations	(103,623)	-	-	(103,623)	(124,000)
<b>ADJUSTED OPERATING CASH FLOW</b>	<b>(6,891,578)</b>	<b>1,297,817</b>	<b>-</b>	<b>(5,593,767)</b>	<b>(4,927,692)</b>
Capital Gains	-	(434,813)	-	(434,813)	301,495
Dividends and Interest	-	358,345	-	358,345	288,310
<b>Income(loss) before Restricted Activity &amp; Transfers</b>	<b>(6,891,578)</b>	<b>1,221,348</b>	<b>-</b>	<b>(5,670,236)</b>	<b>(4,337,887)</b>

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 COMBINING AND COMBINED STATEMENT OF ACTIVITIES  
 AND CHANGES IN NET POSITION - CASH FLOW FORMAT (UNAUDITED)  
 YEAR ENDED DECEMBER 31, 2018**

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2018 Combined Actuals	2018 Combined Total Budget
<b>Restricted Revenue &amp; Expense:</b>					
Endowment Contributions	-	3,392,344	-	3,392,344	1,655,000
Restricted Contributions - Programs/Capital	-	11,271,365	-	11,271,365	750,000
Restricted Contributions - WildCare Institute	-	709,830	-	709,830	-
Donation Expense	(446,800)	-	-	(446,800)	(203,457)
Investment Income	-	(5,466,762)	-	(5,466,762)	3,502,051
<b>Total Restricted Revenue &amp; Expense</b>	(446,800)	9,906,776	-	9,459,977	5,703,594
<b>Net Income Before Program Contributions</b>	(7,338,377)	11,128,125	-	3,789,741	1,365,707

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2018 Combined Actuals	2018 Combined Total Budget
<b>Program Contributions (Current Year):</b>					
Parent program	479,248	(479,248)	-	-	-
Carousel	36,000	(36,000)	-	-	-
WildCare Institute	278,353	(278,353)	-	-	-
Contributions to permanent endowment	-	-	-	-	-
In-Kind Construction/Capital	342,000	(342,000)	-	-	-
Capital Commitments	14,938,969	(14,938,969)	-	-	-
Contributions to Zoo Programs	478,020	(478,020)	-	-	-
Shared Services Transfer	(2,030,000)	2,030,000	-	-	-
Endowment Harvest	-	(1,513,275)	-	(1,513,275)	(1,513,275)
<b>Total Program Contributions</b>	14,522,589	(16,035,864)	-	(1,513,275)	(1,513,275)
<b>Changes in Net Position</b>	7,184,212	(4,907,739)	-	2,276,466	(147,568)

Remove Operating Capital Spending	7,394,586	-	-	7,394,586	7,563,377
Add Depreciation Expense	(11,359,900)	-	-	(11,359,900)	(12,500,000)
Add Loss on Disposal of Assets	(54,710)	-	-	(54,710)	-
<b>Change in Net Position</b>	<b>3,164,184</b>	<b>(4,907,739)</b>	<b>-</b>	<b>(1,743,558)</b>	<b>(5,084,192)</b>

**SAINT LOUIS ZOO**  
**FINANCIAL PLAN - FOR THE YEAR OF 2018 (ACTUALS)**  
**ZOO DEPARTMENT PROFIT/LOSS BUDGET REPORT**

Department	Revenue	Cost Of Sales	Full Time Salaries	Part-Time Salaries	Employee Benefits	Other Operating	Total		CY 2018 Actuals	CY 2018 Net Budget	Budget Variance
							Operating Expenses	ALL Expenses			
<b>Tax Revenue</b>	22,830,354								22,830,354	21,650,727	1,179,627
Food Service	11,827,387	3,174,245	849,819	2,624,948	580,354	473,125	4,528,246	7,702,490	4,124,896	4,468,169	(343,272)
Gift Shops	5,284,853	1,929,125	278,695	777,108	147,436	75,376	1,278,615	3,207,740	2,077,113	1,948,133	128,981
Railroad	1,825,834	62,696	200,246	625,744	112,863	119,981	1,058,835	1,121,531	704,303	939,354	(235,051)
Parking Lot	3,208,322	47,297	91,104	256,949	43,023	51,921	442,996	490,293	2,718,029	3,171,437	(453,409)
Sealion Show	465,683	3,375	223,773	89,600	73,062	63,878	450,313	453,688	11,995	167,114	(155,119)
Insectarium	-	-	262,906	70,566	88,320	88,718	510,510	510,510	(510,510)	(503,759)	(6,750)
Group Tours	319,977	-	50,720	30,884	20,305	3,071	104,981	104,981	214,996	97,994	117,002
Visitor Relations	276,602	15,327	-	55,657	5,548	6,706	67,912	83,239	193,363	169,891	23,472
Safari Pass	(0)	60,816	-	-	-	(60,816)	(60,816)	-	(0)	(0)	0
Carousel	647,837	7,102	-	105,460	11,301	10,251	127,012	134,114	513,723	516,751	(3,028)
4D Theater	135,993	2,744	-	75,571	5,781	13,291	94,643	97,387	38,542	61,205	(22,663)
Association Shared Services	-	-	(2,030,000)	-	-	-	(2,030,000)	(2,030,000)	2,030,000	2,000,000	30,000
Education	1,780,613	33,041	949,416	927,732	343,366	790,790	3,011,303	3,044,344	(1,263,731)	(1,131,141)	(132,590)
Sales & Catering	409,547	99,254	267,377	240,874	97,930	188,010	794,191	893,445	(483,899)	(552,047)	68,148
Research	97,142	67,768	285,910	28,769	99,769	108,298	522,746	590,514	(493,372)	(506,019)	12,647
CARE	-	-	172,569	-	41,672	73,307	287,548	287,548	(287,548)	(309,191)	21,643
Zoo Administration	327,254	-	1,416,366	-	582,227	2,337,118	4,335,711	4,335,711	(4,008,457)	(3,222,365)	(786,086)
Utilities (less Phones)	-	-	-	-	-	2,879,643	2,879,643	2,879,643	(2,879,643)	(2,845,500)	(34,143)
Human Resources	51,118	39	790,933	-	311,948	799,860	1,902,741	1,902,780	(1,851,661)	(1,874,617)	22,956
Safety & Risk Management	-	-	56,096	46,000	704,576	748,541	1,555,212	1,555,212	(1,555,212)	(1,542,874)	(12,339)
Information Technology	-	-	444,885	41,358	121,765	453,870	1,061,878	1,061,878	(1,061,878)	(1,117,430)	55,552
Audio Visual	77,307	-	59,640	63,768	24,977	26,470	174,855	174,855	(97,548)	(96,536)	(1,011)
Finance	-	-	749,167	104,061	215,311	163,313	1,231,852	1,231,852	(1,231,852)	(1,237,422)	5,571
Purchasing	-	-	125,405	-	34,064	2,469	161,938	161,938	(161,938)	(166,720)	4,782
WildCare Institute	251,919	-	55,776	6,674	12,155	1,429,345	1,503,950	1,503,950	(1,252,032)	(1,319,616)	67,585
Conservation Medicine	25,739	-	113,546	36,293	31,487	93,384	274,711	274,711	(248,972)	(210,962)	(38,010)
Animal Division	11,204	-	4,450,883	220,328	1,249,862	992,641	6,913,714	6,913,714	(6,902,510)	(6,928,780)	26,270
Children's Zoo	676,503	6,530	598,348	321,078	236,243	68,652	1,224,322	1,230,852	(554,350)	(508,596)	(45,754)
Facilities Management	-	-	2,197,430	462,466	684,006	711,103	4,055,004	4,055,004	(4,055,004)	(4,411,105)	356,100
Architecture & Planning	5,000	-	291,865	-	67,955	28,443	388,264	388,264	(383,264)	(417,451)	34,187
Zone Maintenance	-	-	-	-	-	73,350	73,350	73,350	(73,350)	(77,700)	4,350
Security	1,000	-	582,206	523,867	210,179	57,417	1,373,669	1,373,669	(1,372,669)	(1,514,133)	141,464
Veterinary Hospital	200	-	802,315	-	201,747	382,443	1,386,506	1,386,506	(1,386,306)	(1,371,910)	(14,395)
Animal Nutrition	-	-	295,655	9,822	82,536	941,224	1,329,238	1,329,238	(1,329,238)	(1,242,939)	(86,299)
Distribution Center	6,826	13,541	225,353	467,678	123,614	33,567	850,213	863,754	(856,928)	(756,239)	(100,688)
Breeding Farm	-	-	-	-	-	1,621	1,621	1,621	(1,621)	(2,200)	579
South Campus	-	-	-	-	-	19,758	19,758	19,758	(19,758)	(28,500)	8,742
Marketing	109,724	-	843,567	14,401	216,182	1,557,079	2,631,228	2,631,228	(2,521,504)	(2,579,760)	58,255
Grounds	-	-	140,618	271,211	76,304	167,131	655,264	655,264	(655,264)	(819,306)	164,042
Housekeeping	-	-	580,191	23,216	193,063	83,039	879,509	879,509	(879,509)	(974,088)	94,580
<b>Total Operations</b>	<b>27,823,582</b>	<b>5,522,900</b>	<b>16,250,208</b>	<b>8,522,083</b>	<b>7,050,932</b>	<b>16,057,391</b>	<b>48,053,183</b>	<b>53,576,083</b>	<b>(25,752,565)</b>	<b>(24,728,858)</b>	<b>(1,023,701)</b>



**SAINT LOUIS ZOO**  
**FINANCIAL PLAN - FOR THE YEAR OF 2018 (ACTUALS)**  
**ZOO DEPARTMENT PROFIT/LOSS BUDGET REPORT**

Department	Revenue	Cost Of Sales	Full Time Salaries	Part-Time Salaries	Employee Benefits	Other Operating	Total		CY 2018 Actuals	CY 2018 Net Budget	Budget Variance
							Operating Expenses	ALL Expenses			
Membership	4,363,937	-	341,779	256,393	134,606	694,242	1,427,020	1,427,020	2,936,917	2,673,341	263,576
ZOO FARI / A ZOO ADO	616,395	9,734	3,703	6,422	1,222	238,142	249,489	259,223	357,172	288,226	68,946
Asset Holding Costs	-	-	44,178	5,381	6,286	469,927	525,772	525,772	(525,772)	-	(525,772)
Parents Program	479,134	-	63,537	-	11,795	182,645	257,978	257,978	221,156	135,123	86,033
Association Other Contributions	100,877	-	-	-	-	14,086	14,086	14,086	86,790	63,950	22,841
Association Administration	2,221,724	-	635,246	26,682	2,204,608	1,541,010	4,407,546	4,407,546	(2,185,822)	(939,658)	(1,246,164)
Fundraising Events	1,044,211	-	10,498	79,891	7,881	413,684	511,953	511,953	532,258	379,973	152,285
Member Benefits	524,796	9,570	5,838	45,540	4,565	426,091	482,035	491,605	33,191	(106,337)	139,528
Marlin Perkins Society	2,293,564	-	234,199	1,075	49,962	222,629	507,865	507,865	1,785,699	1,507,603	278,096
<b>Total Support</b>	<b>11,644,636</b>	<b>19,304</b>	<b>1,338,979</b>	<b>421,383</b>	<b>2,420,925</b>	<b>4,202,456</b>	<b>8,383,744</b>	<b>8,403,048</b>	<b>3,241,588</b>	<b>4,002,221</b>	<b>(760,632)</b>
<b>Tax, Ops, and Support Total</b>	<b>62,298,573</b>	<b>5,542,204</b>	<b>17,589,187</b>	<b>8,943,467</b>	<b>9,430,186</b>	<b>20,186,597</b>	<b>56,436,985</b>	<b>61,979,189</b>	<b>319,378</b>	<b>924,090</b>	<b>(604,706)</b>
Operating Capital	-	-	-	-	-	7,394,586	7,394,586	7,394,586	(7,394,586)	(9,699,788)	2,305,203
Strategic Capital	-	-	-	-	-	15,283	15,283	15,283	(15,283)	(20,006)	4,723
Major Repairs	-	-	-	-	-	641,400	641,400	641,400	(641,400)	(274,314)	(367,086)
Bond Interest/Principle	-	-	-	-	-	-	-	-	-	-	-
Development Fundraising	13,392,098	-	592,480	22,701	160,240	499,158	1,274,579	1,274,579	12,117,519	903,512	11,214,007
Endowment Fundraising	3,115,742	-	105,737	-	25,642	410,054	541,433	541,433	2,574,308	1,332,111	1,242,197
<b>Total Before Investments</b>	<b>16,507,840</b>	<b>-</b>	<b>698,217</b>	<b>22,701</b>	<b>185,882</b>	<b>8,960,480</b>	<b>9,867,281</b>	<b>9,867,281</b>	<b>6,640,559</b>	<b>(7,758,486)</b>	<b>14,399,045</b>
Zoo Investments	64,537	-	-	-	-	-	-	-	64,537	15,000	49,537
Zoo Friends	(76,581)	-	-	-	-	21,163	21,163	21,163	(97,743)	555,555	(653,298)
Zoo Foundation	92,994	-	-	-	-	2,241	2,241	2,241	90,753	(11,500)	102,253
Endowment Trust	(4,530,216)	-	-	-	-	226,085	226,085	226,085	(4,756,301)	3,821,440	(8,577,741)
<b>Investment Income</b>	<b>(4,449,265)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249,488</b>	<b>249,488</b>	<b>249,488</b>	<b>(4,698,753)</b>	<b>4,380,495</b>	<b>(9,079,248)</b>
Contributions - Carousel	36,000	-	-	-	-	36,000	36,000	36,000	-	-	-
Contributions - WCI	278,353	-	-	-	-	278,353	278,353	278,353	-	(0)	0
Contributions - Endowment	-	-	-	-	-	-	-	-	-	-	-
Contributions - Capital	15,280,969	-	-	-	-	15,280,969	15,280,969	15,280,969	-	-	-
Contributions - Zoo Parents	479,248	-	-	-	-	479,248	479,248	479,248	-	-	-
Contributions - Other Programs	478,020	-	-	-	-	478,020	478,020	478,020	-	-	-
Contributions - Zoo Shortfall	-	-	-	-	-	-	-	-	-	-	-
Contributions - Association Overhead	-	-	-	-	-	-	-	-	-	-	-
Contributions - Endowment Harvest	1,513,275	-	-	-	-	1,513,275	1,513,275	1,513,275	-	-	-
Railroad/Parking Lot Rent	-	-	-	-	-	-	-	-	-	-	-
Foundation Management Fees	12,000	-	-	-	-	12,000	12,000	12,000	-	-	-
Routine Eliminations	(1,005,267)	-	-	-	-	(1,005,267)	(1,005,267)	(1,005,267)	-	-	-
Endowment Eliminations	(1,513,275)	-	-	-	-	(1,513,275)	(1,513,275)	(1,513,275)	-	-	-
Wildcare Eliminations	(278,353)	-	-	-	-	(278,353)	(278,353)	(278,353)	-	-	-
Capital Eliminations	(14,938,969)	-	-	-	-	(14,938,969)	(14,938,969)	(14,938,969)	-	-	-
<b>Grand Total</b>	<b>74,699,147</b>	<b>5,542,204</b>	<b>18,287,404</b>	<b>8,966,168</b>	<b>9,616,068</b>	<b>29,738,566</b>	<b>66,608,206</b>	<b>72,150,410</b>	<b>2,261,183</b>	<b>(2,453,901)</b>	<b>4,715,091</b>
Remove Capital Spending						(7,409,869)	(7,409,869)	(7,409,869)	7,409,869	9,719,794	(2,309,926)
Add Depreciation Expense						11,359,900	11,359,900	11,359,900	(11,359,900)	(12,500,000)	1,140,100
Add Loss on Disposal of Assets						54,710	54,710	54,710	(54,710)	-	(54,714)
<b>Change in Net Position</b>									<b>(1,743,558)</b>	<b>(5,234,107)</b>	<b>3,490,551</b>

**SAINT LOUIS ZOOLOGICAL SUBDISTRICT  
SCHEDULE OF CAPITAL EXPENDITURES (UNAUDITED)  
YEAR ENDED DECEMBER 31, 2018**

	1/1/2018 BALANCE	YEAR TO DATE 2018 ACTIVITY	Closed Fixed Assets	12/31/2018 Ending Balance
<b>Strategic Capital:</b>				
30101-8003-01 MI: LSS OFFICE RELOCATION	\$ -	\$ 10,994	\$ 10,994	\$ -
30121-7103-01 (CC) GRIZZLY RIDGE CONSTRUCTION	-	4,288	4,288	-
32941-3029-01 2017 PRIMATE CANOPY TRAILS DESIGN	58,854	915,630	-	974,484
<b>Total Strategic Capital</b>	<b>58,854</b>	<b>930,913</b>	<b>15,283</b>	<b>974,484</b>
<b>Operating Capital:</b>				
30201-3021-01 2018 CARE OFFICE	-	7,873	7,873	-
30314-3003-01 2018 TLW NORTH ENTRANCE WATER LEAK REMEDIATION	-	8,964	-	8,964
30323-3003-01 2015 TLW HVAC CONSTRUCTION	288,056	-	288,056	-
30344-3003-01 2016 ENERGY MANAGEMENT SYSTEM UPGRADES 2	1,061	(1,061)	-	-
30345-3003-01 2016 WATER METER INSTALLATION 2	35,193	-	35,193	-
30368-3003-01 2017 ALBERICI TRAILER MOVE	4,149	38,629	42,778	-
30375-3003-01 2017 ELECTRIC DEPT CART	-	17,896	17,896	-
30376-3003-01 2017 & 2018 ASPHALT OVERLAY	7,500	109,023	116,523	-
30381-3003-01 2017 CAROUSEL CAFE DECK DEMO	219	(219)	-	-
30383-3003-01 2018 PERIMETER WALL TUCKPOINTING	-	24,000	24,000	-
30385-3003-01 2015 TLW HVAC STUDY	24,735	-	24,735	-
30386-3003-01 2015 TLW PLUMBING IMPROVEMENT DESIGN	28,055	-	28,055	-
30389-3003-01 2015 TLW PLUMBING CONSTRUCTION	57,276	-	57,276	-
30390-3003-01 2018 AUTO SHOP HVAC	4,089	5,280	9,369	-
30391-3003-01 2018 LAKESIDE LIGHTING UPGRADE	-	8,316	8,316	-
30392-3003-01 2018 RIVERCAMP KITCHEN LIGHTING UPGRADE	-	7,591	7,591	-
30395-3003-01 2018 JOTA LIGHTING UPGRADE	-	17,943	-	17,943
30396-3003-01 2018 ENERGY CONSERVATION MEASURES	-	2,652	-	2,652
30397-3003-01 2018 FM GENIE LIFT	-	7,400	7,400	-
30398-3003-01 2018 CAROUSEL CORRAL	-	18,643	-	18,643
30430-3004-01 2017 CISCO SWITCH REPLACEMENT	68,573	-	68,573	-
30434-3004-01 2017 LAKESIDE SPEAKERS	4,234	3,250	7,484	-
30436-3004-01 2017 ABT PROJECTOR SCREEN	8,884	990	9,874	-
30438-3004-01 2017 PH GENERATOR	15,992	6,435	22,427	-
30439-3004-01 2017 WIRELESS BRIDGES	2,739	-	-	2,739
30440-3004-01 2018 CISCO SWITCH REPLACEMENT	-	50,912	50,912	-
30441-3004-01 2018 OFF-SITE DISASTER RECOVERY	-	23,134	-	23,134
30442-3004-01 2018 EMV REPLACEMENT	-	26,728	-	26,728
30443-3004-01 2018 WIRELESS OUTDOOR ACCESS POINTS	-	24,237	-	24,237
30444-3004-01 2018 IT SERVER ROOM AC REDUNDANCY	-	20,908	20,908	-
30445-3004-01 2018 SAFETY EAP	-	186	-	186
30583-3005-01 2017 FOOD SERVICE EQUIPMENT REPLACEMENT	91,950	-	91,950	-
30584-3005-01 2017 CANDY CROSSING CONSTRUCTION	3,446	2,766,366	2,427,812	342,000
30585-3005-01 2017 CAROUSEL DINING DECK	-	38,160	38,160	-
30586-3005-01 2018 RIVERCAMP GATE REPLACEMENT	-	21,305	21,305	-
30587-3005-01 2018 EAST HVAC IMPROVEMENTS	-	33,440	33,440	-
30588-3005-01 2018 COKE DIGITAL MENU BOARDS	-	70,468	70,468	-
30589-3005-01 2018 FOOD SERVICE EQUIPMENT REPLACEMENT	-	74,200	74,200	-
30590-3005-01 2018 CAFE KUDU WATER HEATERS	-	12,722	12,722	-
30591-3005-01 2018 LAKESIDE WATER HEATERS	-	64,110	64,110	-
30601-3006-01 2016 Candy Crossing Design	190,791	55,726	246,517	-
30705-3007-01 2017 RIVERCAMP BANQUET CHAIRS	22,335	23,353	45,688	-
30706-3007-01 2017 EXTERNAL EVENT TABLES	7,341	7,341	14,682	-
31046-3010-01 2017 QUARANTINE HOOFSTOCK FLOOR	44,000	-	44,000	-
31047-3010-01 2017 SPECIALIZED MONITORING ALARM	-	7,500	7,500	-
31048-3010-01 2018 RESEARCH VIDEO ARCHIVING	-	7,818	7,818	-
31049-3010-01 2018 RADIOLOGY SYSTEM	-	75,140	75,140	-
31050-3010-01 2018 OANC OFFICE RECONFIGURATION	-	14,320	-	14,320
31073-3010-01 2018 HOSPITAL BOILER REPLACEMENT	-	7,336	7,336	-
31074-3010-01 2018 HOSPITAL AV EQUIP	-	2,705	-	2,705
31075-3010-01 2018 CRYOBIOLOGY HVAC UPGRADE	-	24,875	-	24,875
31170-3011-01 2017 POLAR BEAR SEATING	2,904	(2,904)	-	-
31171-3011-01 2018 EDU GALLERY FLOOR REPLACEMENT	-	22,627	22,627	-
31172-3011-01 2018 TRAILER REMODEL	-	19,161	19,161	-
31224-3012-01 2016 DISTRIBUTION FREEZER	125,984	350,831	-	476,815
31227-3012-01 2018 DISTRIBUTION FLOOR SCRUBBER	-	5,531	5,531	-
31228-3012-01 2018 DISTRIBUTION CLUB CAR 700 ELEC	-	15,711	15,711	-
31230-3012-01 2018 DISTRIBUTION CLUB CAR 1700 GAS	-	18,426	18,426	-
31350-3013-01 NC: DEVELOPMENT SIX SEATER CART 1	-	11,110	11,110	-
31351-3013-01 NC: EXTERIOR LOCK REPLACEMENT	-	20,768	-	20,768
31352-3013-01 NC: FM ZERO TURN MOWER	-	12,949	12,949	-
31353-3013-01 NC: HACKETT SECURITY UPGRADES	-	18,719	18,719	-
31355-3013-01 2018 NC SECURITY CAMERAS	-	9,042	-	9,042
31356-3013-01 NC: DEVELOPMENT SIX SEATER CART 2	-	11,110	11,110	-
31360-3013-01 LARIMORE PROJECT ACQUISITION FEES(ALL CHARGES TRANS TO ASSN)	12,070	(12,070)	-	-
31423-3014-01 2018 Carousel Restoration Phase 1	-	44,913	-	44,913
31516-3015-01 2017 CADDY FLEET REPLACEMENT	193,974	26,984	-	220,958

**SAINT LOUIS ZOOLOGICAL SUBDISTRICT  
SCHEDULE OF CAPITAL EXPENDITURES (UNAUDITED)  
YEAR ENDED DECEMBER 31, 2018**

	1/1/2018 BALANCE	YEAR TO DATE 2018 ACTIVITY	Closed Fixed Assets	12/31/2018 Ending Balance
31517-3015-01		2018 CADDY FLEET ELECTRICAL INFRASTRUCTURE	-	37,584
31519-3015-01		2018 CENTRAL BATHROOM HVAC	-	47,765
31520-3015-01		2018 TLW HVAC UNIT #5	-	9,187
31521-3015-01		2018 HK ORBITAL FLOOR MACHINE	-	6,190
32118-3002-01	32,060	2016 MO AQUARIUM ACRYLIC	53,027	85,087
32122-3002-01	85,900	LAKE IMPROVEMENT DESIGN	130,253	-
32125-3002-01	19,033	2016 ANTELOPE HOUSE ELECTRICAL DESIGN	-	19,033
32133-3002-01	8,904	2016 JOTA TRAINING PANELS	3,505	12,409
32138-3002-01	27,537	2016 OANC GENERATOR DESIGN	(360)	27,177
32152-3002-01	202,076	2017 EMF PAINTING PHASE III	62,990	265,066
32157-3002-01	4,961	2016 CZ Goat Barn Refurbishment (DF)	77,666	82,627
32161-3002-01	115,943	2017 ANTELOPE HOUSE ELECTRICAL UPGRADE	-	115,943
32165-3002-01	74,325	2017 RHINO/HIPPO DOOR MODIFICATION	63,093	137,418
32173-3002-01	10,829	2017 SLS OZONE CHILLER	2,071	12,900
32174-3002-01	72,029	2017 CZ ARBOR REPLACEMENT	8,035	80,064
32176-3002-01	4,438	2017 BIRD HOUSE ENTRY WAY RENOVATION	56,586	-
32180-3002-01	806	2017 HIPPO POOL LINER	3,022	-
32181-3002-01	-	2017 ELEPHANT WOODS VIDEO SURVEILLANCE	31,753	31,753
32182-3002-01	1,054	2017 HERP CARPET REPLACEMENT	54,328	55,383
32185-3002-01	11,207	2017 CHIMP ODH CAMERAS	-	11,207
32186-3002-01	3,022	2017 APE DAYROOM FEEDERS	7,144	-
32188-3002-01	12,175	2017 SLS LEAKS SEALING AND COVER	19,105	31,280
32189-3002-01	-	2017 BEE EATER WIRE MESH	14,286	14,286
32192-3002-01	52,707	2017 ORANG WINDOW REPLACEMENT	58,670	111,376
32193-3002-01	-	2018 OANC A/C CONDENSER	1,760	-
32194-3002-01	-	2018 GIRAFFE FLOOR UPGRADE	11,166	-
32195-3002-01	-	2018 RE BARRIER ENHANCEMENTS	850	-
32196-3002-01	-	2018 CAMEL/ZEBRA SHADE STRUCTURES	61,066	61,066
32197-3002-01	-	2018 BTS SAND SHADE CLOTH	5,337	5,337
32198-3002-01	-	2018 BIRD HOUSE LEAD ABATEMENT	27,010	27,010
32199-3002-01	-	2018 REPLANT OPEN FLIGHT HABITAT	14,344	14,344
32201-3002-01	-	2018 HERP EMPLOYEE OFFICE/BREAKROOM	38,557	38,557
32203-3002-01	-	2018 PH OUTBACK HABITAT HVAC	3,980	-
32205-3002-01	-	2018 BIRD GARDEN MESH	50,629	50,629
32207-3002-01	-	2018 CZ LANDSCAPE UPGRADE	23,380	23,380
32208-3002-01	-	2018 JOTA SANDBLASTING & SEALING	41,019	-
32209-3002-01	-	2018 AZA ACCREDITATION PREP	21,254	-
32210-3002-01	-	2018 HERP HOT WATER HEATER REMEDIATION	86,444	-
32213-3002-01	-	2018 INSECTARIUM GREENHOUSE	7,638	7,638
32214-3002-01	-	2018 CZ RESTROOM REHAB	15,071	-
32215-3002-01	-	2018 OANC DISHWASHER REPLACEMENT	28,807	28,807
32217-3002-01	-	2018 P&PC SIEMENS ALARM UPGRADE	7,926	-
32223-3002-01	-	2019 HERP ZM OFFICE REMODEL	4,339	-
32934-3029-01	26,577	2016 ADDITIONAL WATER METER FUNDS	-	-
32937-3029-01	3,630	2017 CZ ARBOR REPLACEMENT DESIGN	-	3,630
32938-3029-01	2,449	2017 OANC GENERATOR INSTALLATION	363,953	366,401
32939-3029-01	-	2017 CHAIN OF LAKES REDESIGN & DEMO	70,765	70,765
32942-3029-01	6,825	2017 RHINO TRAIL REROUTING DESIGN	(6,825)	-
32943-3029-01	-	2018 PEABODY HALL OFFICE RENOVATION	417,966	417,966
32944-3029-01	-	2018 PEABODY HALL ROOF REMEDIATION	32,793	32,793
32945-3029-01	-	2018 ROOF EVALUATIONS	32,790	-
32946-3029-01	-	2018 TRAIN TUNNEL REPAIR DESIGN	60,186	60,186
32950-3029-01	-	2019 OLD SEA LION DEMO	1,353	-
Total Operating Capital	2,024,037	6,478,956	6,615,484	1,887,508
Total Strategic Capital	58,854	930,913	15,283	974,484
Total Operating Capital	2,024,037	6,478,956	6,615,484	1,887,508
<b>Total Capital Expenditures</b>	<b>\$ 2,082,891</b>	<b>\$ 7,409,869</b>	<b>\$ 6,630,767</b>	<b>\$ 2,861,992</b>