

**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, 2016

**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, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the accompanying 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

Opinions

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, 2016, 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.

Other Matters

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 43, 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 44 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.

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's basic financial statements. The additional supplementary information on pages 45 through 74 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.

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 12-17 and 43 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.



CliftonLarsonAllen LLP

St. Louis, Missouri
April 5, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
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YEAR ENDED DECEMBER 31, 2016**

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 fiscal year ended December 31, 2016. The Zoo's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) 34, as amended. Those standards 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, the St. 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 68, Accounting and Financial Reporting for Pensions, as amended. This standard requires that we calculate and record the liability of contributing entities, based on actuarial valuations, to determine the net pension liability and expense. Annual entries are required to account for any underfunding of the pension liability.

As referenced in Note 1 to the financial statements, the Association is implementing 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 shared services departments, the amount of this transfer was calculated to be \$2,450,000. This transfer results in a reduction to the Zoo's salary expense line, and that amount is recorded in the contributions section. This transfer will increase salary expense, reduce other operating revenue and expense and add to contribution revenue in the contributions section on the Association's financial report. The effects are stated below.

Financial and Operational Highlights

The Zoo's key financial highlights for calendar year 2016 are as follows:

- The net position of the Saint Louis Zoo totaled \$121,048,068 at the close of 2016.
 - The unrestricted net position increased by \$1,092,843, or 83.5%, over the 2015 net position.
 - Invested in capital assets was \$471,310, or .4%, lower than 2015 totals.
- Tax support (net of uncollectible tax expense) from the Zoo Museum District under the accrual basis method was \$21,735,685 for the year ended December 31, 2016, which is a .9% increase when compared to 2015. The tax rate increased to 7.99 cents on each \$100 of assessed property valuation which is .06 cents higher than prior year's rate.
- **CAPITAL SPENDING:** In 2016, capital spending additions totaled \$9,799,499 for construction-in-progress, including \$6,683,224 on strategic capital projects and \$3,116,275 on operating capital projects.

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YEAR ENDED DECEMBER 31, 2016**

- In 2016, the Zoo continued construction on Grizzly Ridge, the last of *The Living Promise Campaign* projects, which will replace the 1920s-era bear habitats. The new habitat will more than double the space for the grizzly bears, provide a glass viewing area for visitors and include an off-exhibit area to enhance the bears' care. Through the end of 2016, of the total \$11,076,730 Commission appropriation for this exhibit, the Zoo has spent \$1,640,671 on the design and \$6,008,150 on the construction.
- In the Emerson Children's Zoo, the Tasmanian devil exhibit was completed in 2016. This will be the nation's first habitat built specifically for the charismatic creatures. The Tasmanian devil was almost extinct in the wild, but through breeding and reintroduction, their numbers have grown. The Saint Louis Zoo will be one of only six U.S. zoos to have Tasmanian devils on display. The Zoo has received two of these animals. The final costs as of December 31, 2016, were \$33,652 for the design and \$502,390 on the construction of this project.
- In 2014, the Kettle Corn building sustained fire damage and was a total loss. This was replaced with a spacious, redesigned concession stand named Sweet and Salty. The total cost of the project was \$391,532, which included the building, new food service equipment and a patio area with tables and chairs. The new building opened for business in May 2016.
- An updated veterinary hospital fire suppression system was finished in 2016. The total cost of the system was \$343,245.
- Due to an orangutan's rock fixation, four of the six glass exhibit panels were shattered. As a precautionary safety measure these panels were replaced with acrylic panels, which were not completely covered by insurance. The total price of the replacement was \$199,503.
- In 2015, a decision was made to replace the 3D simulator with a new 4D attraction. The size of the new trailers for the theater required a complete reconfiguration of the building. The new 4D Theater opened in December of 2015 to show Polar Express during the U.S. Bank Wild Lights and then the installation of lighting fixtures was completed in 2016 in time for the spring break season. The final cost of the new structure was \$191,218.

VISITOR ATTENDANCE, SATISFACTION: In 2016, the Zoo recorded its fourth-highest attendance in its history with 3,180,778 visitors. This number was just 19,222 shy of 2016 projections and only 64,350, or 2%, less than last year's count. This was due to high precipitation rates and above average temperatures during key summer months when attendance suffered.

- In 2016, through exit surveys, 98% of our guests rated their experiences excellent or very good, which is four percent higher than the 2015 rating. On average, guests spent \$9.52 per person, per visit, generating on-grounds revenues of \$30,205,072. This represents a 6.8% increase of \$.61 in per capita spending over the 2015 amount of \$8.91.

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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, 2016. This statement is a snapshot of the Zoo's current and other assets, of its capital assets and of 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 2016 revenues and expenses. This statement indicates the success of the Zoo in maintaining expenses below the level of revenues.

The Statement of Cash Flows (page 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.

Financial Analysis

**Saint Louis Zoo
 Statement of Net Position (Primary Government Only)
 As of December 31, 2016**

	<u>2016</u>	<u>2015</u>	<u>Change \$\$</u>	<u>Change %</u>
Assets				
Current and other assets	\$ 20,220,772	\$ 19,139,307	\$1,081,465	5.7%
Capital assets(net)	118,645,707	119,117,017	(471,310)	-0.4%
Deferred outflow of resources	3,935,851	5,923,816	(1,987,965)	0.0%
Total Assets	<u>142,802,330</u>	<u>144,180,140</u>	<u>(1,377,810)</u>	<u>-1.0%</u>
Liabilities				
Current	4,879,535	5,733,419	(853,884)	-14.9%
Long Term	16,425,695	17,496,002	(1,070,307)	-6.1%
Deferred inflow of resources	449,032	524,184	(75,152)	0.0%
Total Liabilities	<u>21,754,262</u>	<u>23,753,605</u>	<u>(1,999,343)</u>	<u>-8.4%</u>
Net Positions				
Unrestricted	2,402,361	1,309,518	1,092,843	83.5%
Invested in capital assets	118,645,707	119,117,017	(471,310)	-0.4%
Total Net Positions	<u>121,048,068</u>	<u>120,426,535</u>	<u>621,533</u>	<u>0.5%</u>
Total Liabilities & Net Positions	<u>\$142,802,330</u>	<u>\$144,180,140</u>	<u>(\$1,377,810)</u>	<u>-1.0%</u>

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YEAR ENDED DECEMBER 31, 2016**

Analysis:

- Current and other assets increased by \$1,081,465 (5.7%), as compared to 2015, primarily due to an \$837,494 contribution received from the Association for 2015 capital carryover items, which are not yet complete. There was also an increase in the ZMD receivable of \$413,757 due to the year-end tax adjustments. These were offset by decreases in Cash and Cash Equivalents (\$196,734).
- The Capital Assets (net) in the asset section and the Invested-in-capital assets in the net position section decreased by \$471,310 (-.4%). In 2016, this change resulted from the addition of \$9,799,499 of construction in progress activity, less the loss on disposal of fixed assets of \$18,500 and \$10,252,309 in depreciation costs. At year end, \$3,304,812 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) declined by \$1,987,965, 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 \$3,935,851 in 2016.
- Total liabilities decreased by \$1,999,343. This is mainly due to a reduction of the net pension liability by \$1,045,084 measured as of 09/30/16 (see GASB 68 note above). This entry represents 2016 activity. Also related to GASB 68 is the adjustment of the deferred inflow of resources of \$75,152, which accounts for contributions made and expensed during the entity's fiscal year ended December 31, 2016. Also, there was a \$1,317,746 decrease in the Due to Affiliates entry. This mainly represents the funds borrowed from the Association and shows that the Zoo was able to reduce this payable amount more in 2016 than in 2015. These decreases were offset by increases in accounts payable of \$264,530 and accrued expense and other liabilities of \$216,581. Accounts payable is due to the timing of items being paid, and accrued expenses are a result of the payroll accrual including more days than at the end of 2015.
- The unrestricted net assets, usually a useful indicator of the Zoo's financial position, increased by \$1,092,843.

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 YEAR ENDED DECEMBER 31, 2016**

**Saint Louis Zoo
 Statement of Activities and Changes in Net Positions (Primary Government Only)
 As of December 31, 2016**

	<u>2016</u>	<u>2015</u>	<u>Change \$\$</u>	<u>Change %</u>
Operating Revenues	\$28,202,550	\$27,090,840	\$1,111,710	4.1%
Operating Expenses	57,514,035	56,430,026	1,084,009	1.9%
Operating Income (loss)	<u>(29,311,485)</u>	<u>(29,339,186)</u>	<u>27,701</u>	<u>-0.1%</u>
Non-operating Revenue	21,746,276	21,408,374	337,902	1.6%
Non-operating Expense	-	-	-	
Income (Loss) before contributions	<u>(7,565,209)</u>	<u>(7,930,812)</u>	<u>365,603</u>	<u>-4.6%</u>
Contributions and Transfers (non-capital)	(642,367)	(302,719)	(339,648)	112.2%
Contributions and Transfers (capital)	8,829,109	3,975,932	4,853,177	122.1%
Total Contributions	<u>8,186,742</u>	<u>3,673,213</u>	<u>4,513,529</u>	<u>122.9%</u>
Change in Net Positions	<u>621,533</u>	<u>(4,257,599)</u>	<u>(14,389,423)</u>	<u>338.0%</u>
Net Positions - beginning of year	120,426,535	124,684,134	(4,257,599)	-3.4%
Net Positions - end of year	<u>\$121,048,068</u>	<u>\$120,426,535</u>	<u>\$621,533</u>	<u>0.5%</u>

Analysis:

- In 2016, the Zoo's net position increased \$621,533 (.5%), as compared to a 2015 decrease of \$4,257,599 (-3.4%).

In 2016, the Zoo achieved its fourth-highest attendance with 3,180,778 visitors. Year-to-year comparisons are as follows:

- **Operating revenue** increased by \$1,111,710 (4.1%) due to positive revenue variances for food service (\$396,761); retail (\$156,518); attractions (\$153,571); and parking lots (\$152,838). The Zoo almost reached its attendance projections which were only 2% below 2015 attendance totals; so most of the earned income venues exceeded 2015 numbers. The weather was statistically better than in 2015, but due to high precipitation rates and above average temperatures during key summer months' attendance suffered.
- **Operating expense** increased \$1,084,009 (1.9%) over 2015, due to increases in other operating expenditures, salaries, fringe benefits, major expense, repairs and maintenance and merchandise. Other operating expenditures increased \$531,979 due to increases in donation and grant expenses. Salary costs increased \$542,297 due to the raise pool, the addition of new part-time, seasonal, and temporary grant positions, and increased labor expenses associated with increased sales. Fringe benefit costs were \$339,987 greater due to the 2016 increase in the pension entry (\$476,998) related to GASB 68 for the current year activity. There was also an increase in the vacation accrual of \$76,688. These were offset by decreases in the pension contributions of \$285,682 due to a rate decrease in the second half of the year. Major Expense rose by \$314,500, primarily because of contracts for several studies; these totaled \$155,004. Merchandise costs increased \$117,724 due to the higher sales volumes mentioned above. Repairs and maintenance costs increased \$131,534 due to efforts to maintain

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 YEAR ENDED DECEMBER 31, 2016**

the Zoo's aging infrastructure, which requires more repairs and higher preventive maintenance expenses. Depreciation decreased by \$187,866 due to fewer assets being added in 2016 and older assets becoming fully depreciated.

- **Non-operating revenue**, which includes tax revenue and investment income/loss, increased by a \$337,902 due tax revenue received.
- **Contributions and Transfers**, the funds that are moved from the component unit (the Association to the primary government unit (the Zoo), were \$3,673,231 in 2015 and increased to \$8,186,742 in 2016. Capital contributions were \$8,829,109 in 2016, a \$4,853,177 increase over the previous year due to spending for the Grizzly Ridge project. There was also an entry related to the shared services item (referenced in the Introduction above and in Note 1) for a negative \$2,450,000 for a decrease of \$512,000.
- **The Change in Net Position** was \$621,533.

**Saint Louis Zoo
 Statement of Cash Flows (Primary Government Only)
 For year ended December 31, 2016**

	<u>2016</u>	<u>2015</u>	<u>Change \$\$</u>	<u>Change %</u>
Cash Flows from Operating Activities	(\$19,739,867)	(\$21,240,743)	\$1,500,876	-7.1%
Cash Flows from Non-Capital Financing Activities	21,321,928	20,056,475	1,265,453	6.3%
Cash Flows from Capital and Related Financing	(1,795,826)	(2,596,306)	800,480	-30.8%
Cash Flows from Investing Activities	17,031	10,181	6,850	67.3%
Net Increase (Decrease) in Cash and Cash	<u>(196,734)</u>	<u>(3,770,393)</u>	<u>3,573,659</u>	<u>-94.8%</u>
Cash and cash equivalents at beginning of year	<u>2,800,683</u>	<u>6,571,076</u>	<u>(\$3,770,393)</u>	<u>-57.4%</u>
Cash and cash equivalents at end of year	<u>\$2,603,949</u>	<u>\$2,800,683</u>	<u>(\$196,734)</u>	<u>-7.0%</u>

Cash Flow Analysis:

- Net cash from operating activities increased \$1,500,876 due to cash received from patrons and contributions in addition to cash received from the component unit, less the cash paid out to employees and suppliers.
- Net cash used from non-capital financing activities increased \$1,265,453 due to cash received from property tax revenue.
- Net cash used from capital and related financing activities decreased \$800,480 due to a \$4,015,683 increase in cash received from the component unit offset by \$3,227,263 decrease in payments for property and equipment and \$12,060 received from grants.
- Net cash used from investing activities increased by \$6,850 due to cash received from investment earnings.

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Economic Outlook:

The Saint Louis Zoological Subdistrict served 3,180,778 visitors in 2016. In 2016, construction began on the final major exhibit from *The Living Promise Campaign*, Grizzly Ridge, which is expected to open in September 2017. As this event will not occur until after the summer season, the new exhibit is not expected to increase attendance during the Zoo's busiest season, but will hopefully prove to be a draw in the fourth quarter. The Zoo leadership also expects the popularity of McDonnell Polar Bear Point to continue in 2017 and help drive attendance numbers.

Currently, major construction is taking place around the Zoo due to the start of a Forest Park Forever-funded roadwork project. Beginning in December, Wells Drive and Government Drive were closed west of Zoo, removing vital throughways for visitors and adding to already congested traffic in Forest Park. Phase one of this project is slated to go through May 2017, and the restrictions may cause more issues that will limit access to the Zoo and may result in fewer guests. In 2017, the Zoo plans to make greater use of the parking garage on the former Forest Park Hospital site across Highway 40 (the South Campus) to alleviate the effects of the road construction project, but 2017 could still be a challenging year.

The Zoo continues to experience relatively flat tax projections, with a total increase of only 7.8% from 2010 to 2016. The stagnant tax, combined with the lack of any new significant earned revenue enhancements to offset projected increases in labor costs as well as growing planned long-term maintenance costs, mean that the Saint Louis Zoo will face challenging times in the near future. The Zoo's 2016 facilities study estimated the cost of long-term repairs and maintenance at \$89,393,123. The goal of maintaining the Zoo's world class status, expanding education programs, conservation initiatives and research, as well as expansion of conservation breeding, is threatened by rising costs and the need to repair and maintain infrastructure, in the face of diminishing resources. The Saint Louis Zoo has been working diligently to make improvements to enhance the bottom line. For 2017, staff and governance leaders continued with a comprehensive review of the budget focused on ideas for increasing revenue, including price increases; reducing expenses through zero-based budgeting on select expense lines; and ensuring projects are properly and competitively bid.

As Zoo leadership forecasts to 2021, it will continue to look for opportunities to trim costs and for ways to increase revenue including: expanding fee-based public events; growing the endowment and increasing unrestricted support to accomplish the Zoo's mission. However, to ensure that the Saint Louis Zoo remains world class, Zoo leaders will pursue a sales tax initiative to help cover the costs of maintaining the infrastructure on a 100+ year old campus and to achieve the Zoo's conservation mission, which includes expansion of educational programming, research and conservation breeding programs, all of which will require additional resources and space.

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YEAR ENDED DECEMBER 31, 2016**

The Saint Louis Zoo Association

In 2016, Association operating revenue decreased by \$4,776,944 (29.2%) when compared to 2015. The largest decreases came from contributions (\$4,192,099), followed by A Zoo Ado (\$555,348), and sponsorship and event revenue (\$106,497). The contributions decreased in 2016 because the institution is no longer in a campaign; in addition, some large donations were received in the fourth quarter of 2015. The Zoo's primary midsummer fundraisers alternate annually, with the informal A Zoo Ado typically recording about half the revenue as its more elaborate counterpart ZOOFARI. This was an even-dated year, so in 2016 the Zoo hosted A Zoo Ado, which brought in gross income of \$549,694, which was \$555,348 less than the previous year's ZOOFARI. New for 2016 is the Sponsorship and Event Revenue line, comprising accounts that were moved from the other operating revenue category. Sponsorship and Event Revenue decreased by \$106,497, mainly due to a \$130,379 downward shift in Wild Lights ticket revenue due to the inclement weather, combined with a reduction in sponsorship funding for several events. Boo at the Zoo offset these results with a \$74,621 increase in ticket sales and \$39,500 boost in sponsorship—breaking records for this event. Also, the Marlin Perkins Society reported a record-breaking \$2,042,368 in membership sales, coming in \$139,078 over last year's record.

Overall, the Association operating expenses increased by \$769,965 due to increases of \$533,508 in salaries, \$462,719 in legal/audit/consulting and \$103,107 in financial institution charges. The salary increase was due to the shared services transfer from the Zoo, which increased from \$1,938,000 to \$2,450,000, for an increase of \$512,000. For legal/audit/consultation, the increase is attributable to the special appropriation spending for a legislative initiative, and the financial institution charges increased due to higher investment fees for the hedge funds and an increase in credit card charges. These increases were offset by a \$172,364 decrease in donor and member amenities which was due to reduced donor acquisition and recognition expenses with the ending of the *Living Promise Campaign* (\$114,780) and a \$34,923 decline in donor recognition costs associated with ZOOFARI.

The non- operating revenues increased by \$10,228,517. It was a positive year for the Investment income portfolio, which rose \$5,138,073 when compared to 2015. Bequest and endowed contributions also increased by \$5,090,444, mainly due to two large gifts received in the first quarter of 2016.

In 2016, the Association transferred \$10,636,742 to the Zoo. The largest transfer was for capital projects (\$8,829,109) due to Grizzly Ridge project construction, which began in 2016. Another portion of this transfer was for the Endowment Harvest (\$1,225,693), which increased by \$154,243 due to an increase in the value of that portfolio. These items were offset by \$2,450,000 for the shared services expense transfer from the Zoo. This amount was \$512,000 more than the 2015 transfer.

Contacting the Saint Louis Zoological Subdistrict

This financial report is designed to provide a general overview of the Zoo's financial activity. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. Questions regarding any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Saint Louis Zoo, One Government Drive, Saint 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, 2016

**(WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION AS OF DECEMBER 31,
2016 AND 2015)**

	2016		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association	2016	2015
ASSETS AND DEFERRED OUTFLOW OF RESOURCES				
CURRENT ASSETS				
Cash and Cash Equivalents (Note 3)	\$ 2,603,949	\$ 19,343,472	\$ 21,947,421	\$ 19,032,645
Investments (Note 3)	-	-	-	208,591
Due from Zoo Museum District, Net (Note 1)	15,455,486	-	15,455,486	15,041,729
Pledges Receivable, Net (Note 6)	-	1,825,880	1,825,880	4,478,070
Miscellaneous Receivables	185,028	1,683,631	1,868,659	806,636
Due from Component Unit, Net (Note 2)	837,494	1,068,806	-	-
Inventories	705,470	16,704	722,174	792,999
Prepaid Expenses	433,345	110,706	544,051	383,862
Accrued Interest Receivable	-	50,306	50,306	37,130
	<u>20,220,772</u>	<u>24,099,505</u>	<u>42,413,977</u>	<u>40,781,662</u>
LONG-TERM INVESTMENTS (NOTE 3)	-	69,663,202	69,663,202	62,515,251
BENEFICIAL INTEREST IN A TRUST AGREEMENT (NOTE 5)	-	206,901	206,901	209,392
PLEDGES RECEIVABLE, NONCURRENT, NET (NOTE 6)	-	5,107,730	5,107,730	6,106,605
OTHER ASSETS (NOTE 7)	-	1,308,237	1,308,237	1,477,575
PROPERTY AND EQUIPMENT (NOTE 8)	118,645,707	-	118,645,707	119,117,017
DEFERRED OUTFLOW OF RESOURCES (NOTE 9)	<u>3,935,851</u>	<u>-</u>	<u>3,935,851</u>	<u>5,923,816</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 142,802,330</u>	<u>\$ 100,385,575</u>	<u>\$ 241,281,605</u>	<u>\$ 236,131,318</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.

	2016		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit	2016	2015
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	\$ 2,513,817	\$ 362,258	\$ 2,876,075	\$ 2,349,045
Accrued Expenses and Other Liabilities (Note 1)	963,990	623,458	1,587,448	1,280,158
Due to Component Unit, Net (Note 2)	1,068,806	837,494	-	-
Unearned Support and Income (Note 10)	332,922	118,902	451,824	479,106
Total Current Liabilities	4,879,535	1,942,112	4,915,347	4,108,309
OTHER LIABILITIES (NOTE 1)	-	1,904,595	1,904,595	1,857,919
OBLIGATION UNDER TRUST AGREEMENT (NOTE 5)	-	61,204	61,204	71,929
POST-EMPLOYMENT OBLIGATIONS (NOTE 12)	554,792	-	554,792	580,015
NET PENSION LIABILITY (NOTE 9)	15,870,903	-	15,870,903	16,915,987
DEFERRED INFLOW OF RESOURCES (NOTE 9)	449,032	-	449,032	524,184
Total Liabilities and Deferred Inflow of Resources	21,754,262	3,907,911	23,755,873	24,058,343
NET POSITION (NOTE 11 AND NOTE 15)				
Invested in Capital Assets	118,645,707	-	118,645,707	119,117,017
Restricted For Expendable				
Endowment - Donor Restricted	-	11,757,457	11,757,457	9,823,301
Capital Projects - Donor Restricted	-	3,347,973	3,347,973	8,454,551
Nonexpendable				
Endowment - Donor Restricted	-	32,251,851	32,251,851	31,243,941
Unrestricted	2,402,361	49,120,383	51,522,744	43,434,165
Total Net Position	121,048,068	96,477,664	217,525,732	212,072,975
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 142,802,330</u>	<u>\$ 100,385,575</u>	<u>\$ 241,281,605</u>	<u>\$ 236,131,318</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, 2016
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE YEARS
 ENDED DECEMBER 31, 2016 AND 2015)**

	2016		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
			2016	2015
OPERATING REVENUES				
Food and Beverage	\$ 11,566,520	\$ -	\$ 11,566,520	\$ 11,169,759
Contributions	-	2,911,644	2,911,644	7,103,743
Membership Dues and Parent Program	-	4,656,222	4,656,222	4,717,234
Retail	5,127,857	-	5,127,857	4,971,339
Parking Lot	3,671,778	-	3,671,778	3,518,940
Attractions	3,009,513	-	3,009,513	2,855,942
Sponsorship and Event Revenue	273,800	1,330,058	1,603,858	1,676,905
Other	689,366	67,046	744,412	820,617
Marlin Perkins Society	-	2,042,368	2,042,368	1,903,290
Education	1,655,985	-	1,655,985	1,609,940
Children's Zoo	814,305	-	814,305	748,115
ZOOFARI and A ZOO ADO	-	549,694	549,694	1,105,042
Outside Vendors	259,259	-	259,259	227,132
Sea Lion Show	446,287	-	446,287	412,068
Sales and Catering	468,822	-	468,822	384,267
WildCare Institute	219,058	-	219,058	188,482
Total Operating Revenues	<u>28,202,550</u>	<u>11,557,032</u>	<u>39,747,582</u>	<u>43,412,815</u>
OPERATING EXPENSES				
Salaries and Wages	21,696,775	4,505,372	26,202,147	25,126,341
Fringe Benefits	7,024,064	524,186	7,548,250	7,202,744
Merchandise	5,143,271	22,196	5,165,467	5,047,416
Animal Food and Medical Care	1,039,570	-	1,039,570	1,034,031
Utilities	3,091,935	1,706	3,093,641	3,044,377
Supplies	1,196,888	770,279	1,967,167	2,086,297
Property and Liability Insurance	649,960	36,000	685,960	677,507
Computer and IT Maintenance	352,271	56,333	408,604	490,953
Financial Institution Charges	13,650	344,083	357,733	253,105
Donor and Member Amenities	-	221,971	221,971	394,335
Postage	32,092	306,625	338,717	386,145
Service Fees	410,539	23,959	434,498	424,642
Other Operating Expenditures	1,854,516	999,958	2,842,474	2,744,770
Conservation and Research	832,119	-	832,119	899,054
Travel	209,484	14,073	223,557	225,138
Legal/Audit/Consulting	273,188	757,764	1,030,952	613,740
Repairs and Maintenance	1,068,498	-	1,068,498	936,964
Printing and Graphics	174,117	457,203	631,320	678,752
Marketing	1,446,711	75,989	1,522,700	1,657,914
Animal Sales and Purchases, Net	121,510	-	121,510	85,306
Major Expense	630,568	-	630,568	316,068
Depreciation (Note 8)	10,252,309	-	10,252,309	10,440,175
Total Operating Expenses	<u>57,514,035</u>	<u>9,117,697</u>	<u>66,619,732</u>	<u>64,765,774</u>
Operating Income (Loss)	(29,311,485)	2,439,335	(26,872,150)	(21,352,959)

* 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.

	2016		Comparative Totals (Unaudited)*	
	Primary Government Saint Louis Zoological Subdistrict	Component Unit Saint Louis Zoo Association	2016	2015
	NONOPERATING REVENUES (EXPENSES)			
Loss on Disposal of Property and Equipment	\$ (18,500)	\$ -	\$ (18,500)	\$ (143,967)
Tax Revenue, Net	21,735,685	-	21,735,685	21,542,160
Investment Income (Loss)	17,031	4,442,344	4,459,375	(685,548)
Bequest and Endowment Contributions	-	6,136,287	6,136,287	1,045,843
Other Contributions/Grants	12,060	-	12,060	-
Total Nonoperating Revenues	21,746,276	10,578,631	32,324,907	21,758,488
Income (Loss) Before Transfers of Contributions	(7,565,209)	13,017,966	5,452,757	405,529
TRANSFERS OF CONTRIBUTIONS				
Parent Program	348,857	(348,857)	-	-
Capital Projects	8,829,109	(8,829,109)	-	-
WildCare Institute	197,083	(197,083)	-	-
Endowment Harvest	1,225,693	(1,225,693)	-	-
Carousel	36,000	(36,000)	-	-
Shared Services (Note 1)	(2,450,000)	2,450,000	-	-
Total Transfers of Contributions	8,186,742	(8,186,742)	-	-
CHANGES IN NET POSITION	621,533	4,831,224	5,452,757	405,529
Net Position - Beginning of Year	120,426,535	91,646,440	212,072,975	211,667,446
NET POSITION - END OF YEAR	\$ 121,048,068	\$ 96,477,664	\$ 217,525,732	\$ 212,072,975

**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, 2016
 (WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR THE YEARS
 ENDED DECEMBER 31, 2016 AND 2015)**

	2016		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit	2016	2015
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Patrons/Contributors	\$ 28,230,777	\$ 16,756,580	\$ 44,987,357	\$ 48,762,488
Cash Paid to Employees and Suppliers	(48,460,531)	(8,792,157)	(57,252,688)	(58,873,695)
Cash Received from (Paid to) Component Unit for Operations	489,887	(489,887)	-	-
Net Cash Provided (Used) by Operating Activities	(19,739,867)	7,474,536	(12,265,331)	(10,111,207)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash Received from Property Tax Assessments	21,321,928	-	21,321,928	20,056,475
Cash Contributions Received for Board Restricted	-	5,128,381	5,128,381	751,922
Cash Contributions Received for Permanent Endowment	-	1,007,909	1,007,909	293,920
Net Cash Provided by Non-Capital Financing Activities	21,321,928	6,136,290	27,458,218	21,102,317
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash Received from (Paid to) Component Unit for Property and Equipment	7,991,615	(7,991,615)	-	-
Payments for Property and Equipment	(9,799,501)	-	(9,799,501)	(6,572,238)
Cash Received from Grants	12,060	-	12,060	-
Net Cash Used by Capital and Related Financing Activities	(1,795,826)	(7,991,615)	(9,787,441)	(6,572,238)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Maturities and Sales	-	5,319,313	5,319,313	1,502,933
Investment Purchases	-	(8,068,888)	(8,068,888)	(2,619,342)
Cash Received from Investment Earnings	17,031	241,874	258,905	70,054
Net Cash Provided (Used) by Investing Activities	17,031	(2,507,701)	(2,490,670)	(1,046,355)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(196,734)	3,111,510	2,914,776	3,372,517
Cash and Cash Equivalents - Beginning of Year	2,800,683	16,231,962	19,032,645	15,660,128
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,603,949</u>	<u>\$ 19,343,472</u>	<u>\$ 21,947,421</u>	<u>\$ 19,032,645</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.

	2016		Comparative Totals (Unaudited)*	
	Primary Government	Component Unit	2016	2015
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (29,311,485)	\$ 2,439,335	\$ (26,872,150)	\$ (21,352,959)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	10,252,309	-	10,252,309	10,440,175
Transfer of Shared Services	(2,450,000)	2,450,000	-	-
Due to/from Component Unit	489,887	(489,887)	-	-
(Increase) Decrease in Assets:				
Pledges Receivable	-	3,651,062	3,651,062	3,252,952
Miscellaneous Receivables	45,474	(1,107,497)	(1,062,023)	(581,094)
Inventories	87,531	(16,704)	70,827	16,155
Prepaid Expenses	(159,951)	(238)	(160,189)	(15,101)
Other Assets	-	169,338	169,338	2,306
Decrease in Deferred Outflows of Resources	1,987,965	-	1,987,965	(4,862,160)
Increase (Decrease) in Liabilities:				
Accounts Payable	264,530	262,500	527,030	(2,408,357)
Accrued Expenses and Other Current Liabilities	216,581	137,385	353,966	113,976
Post-Employment Obligations	(25,223)	-	(25,223)	(16,368)
Obligation Under Trust Agreement	-	(10,725)	(10,725)	(21,019)
Net Pension Liability	(1,045,084)	-	(1,045,084)	5,618,020
Unearned Support and Income	(17,249)	(10,033)	(27,282)	67,337
Decrease in Deferred Inflows of Resources	(75,152)	-	(75,152)	(365,070)
Net Cash Provided (Used) by Operating Activities	\$ (19,739,867)	\$ 7,474,536	\$ (12,265,331)	\$ (10,111,207)

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant generally accepted accounting policies in the United States of America employed in the preparation of the accompanying financial statements of the Saint Louis Zoological Subdistrict (Zoo) 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 Zoo and the Association are collectively referred to as the "Saint Louis Zoo." The Saint Louis Zoo is a component unit of the Zoo Museum District.

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 not-for-profit 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.

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.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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

Reporting Entity (Continued)

Saint Louis Zoo Association (Continued)

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.

New Accounting Pronouncements

During the year ended December 31, 2016, the Association adopted a provision of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2015-7, *Fair Value Measurements – Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This provision eliminates the requirement for entities to report the fair value of investments held at a net asset value, as previously required by Accounting Standards Codification (ASC) 820. As such, the entity has omitted this disclosure for the year ended December 31, 2016. The adoption of this provision did not have an impact on the Foundation's financial position or changes in net assets.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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

New Accounting Pronouncements (Continued)

In addition, during the year ended December 31, 2016, the entity adopted a provision of FASB ASU 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*. This provision eliminates the requirement for entities, other than public business entities, to disclose the fair values of financial instruments carried at amortized cost, as previously required by ASC 825-10-50. As such, the entity has omitted this disclosure for the year ended December 31, 2016. The adoption of this provision did not have an impact on the entity's financial position or changes in net assets.

Use of Estimates

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

Cash Equivalents

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

Due From Zoo Museum District / Tax Receivable and Revenue

The Zoo Museum District Board has established a tax rate for the Zoo of 7.99 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, 2016. Excess funds of \$895,104 were distributed to the Zoo during the year ended December 31, 2016. Such amounts, if any, are included in tax revenue in the accompanying financial statements. The tax receivable of \$16,060,661 has been reduced by an allowance for uncollectible accounts of \$605,175 at December 31, 2016. Tax revenues of \$21,672,125 are reported net of uncollectible tax recoveries of \$63,560 for the year ended December 31, 2016.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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 1% to present value (see Note 6) which is estimated to reflect fair value at December 31, 2016. 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, 2016, management has recorded \$127,491 as an allowance for doubtful accounts.

During the year ended December 31, 2016, management provided for probable uncollectible amounts through a charge to expense and a credit to pledges receivable. Bad debt expense related to pledges for the Association amounted to \$397,042 for the year ended December 31, 2016.

Inventories

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

Property and Equipment

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

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016, the amounts of gift annuity obligations are \$2,154,540 for the Association and are reflected as accrued expenses and other liabilities on the balance sheet, of which \$1,904,595 is considered non-current. At December 31, 2016, \$249,945 is considered current based on an estimate of annuity payments to be paid during 2016. 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 statements 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, 2016:

Type of Transaction	Amount
Parent Program Support	\$ 348,857
Capital Project Support	8,829,109
WildCare Institute Support	197,083
Endowment Harvest	1,225,693
Carousel (Membership Benefit)	36,000
Shared Services	<u>(2,450,000)</u>
	<u><u>\$ 8,186,742</u></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 2017.

NOTE 3 CASH AND INVESTMENTS

The Association's and Zoo's cash balances, money market funds and certificates of deposit are held at numerous banks and are covered by federal depository insurance up to \$250,000 per bank by each entity or collateralized by securities held in each entity's name. At December 31, 2016, the Association's and Zoo's balances were as follows:

	Carrying Value	Bank Balances	Uncollateralized
<u>Cash and Cash Equivalents</u>			
Zoo:	\$ 2,603,949	\$ 3,066,371	\$ -
Association:	<u>19,343,472</u>	<u>19,135,038</u>	<u>428,883</u>
Total Cash and Cash Equivalents	<u><u>\$ 21,947,421</u></u>	<u><u>\$ 22,201,409</u></u>	<u><u>\$ 428,883</u></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 stocks, and U.S. Government and agency obligations. A comparison of fair value and amortized cost of investments as of December 31, 2016 is as follows:

	<u>Reported Value</u>	<u>Cost or Amortized Cost</u>	
<u>Investments</u>			
Association:			
Money Market Funds	\$ 709,744	\$ 709,744	
U.S. Government and Agency Obligations	2,844,833	2,874,369	
Corporate Notes/Obligations	4,583,705	4,637,952	
Foreign Issues	615,013	615,972	
Municipal Issues	389,658	391,568	
Mutual Funds	<u>42,349,965</u>	<u>34,654,148</u>	
Investments Held at Fair Value	51,492,918	43,883,753	
Alternative Investment Funds at Net Asset Value	<u>18,170,284</u>	<u>17,510,744</u>	
 Total	 <u><u>\$ 69,663,202</u></u>	 <u><u>\$ 61,394,497</u></u>	
	<u>Zoo</u>	<u>Association</u>	<u>Total</u>
Unrealized Gains	\$ -	\$ 2,510,945	\$ 2,510,945
Realized Gains	-	1,015,835	1,015,835
Dividend and Interest Income	<u>17,031</u>	<u>915,564</u>	<u>932,595</u>
Total Investment Income	<u><u>\$ 17,031</u></u>	<u><u>\$ 4,442,344</u></u>	<u><u>\$ 4,459,375</u></u>

Investment income is \$4,459,375 for the year ended December 31, 2016, which includes unrealized appreciation in fair value of \$2,510,945, realized gains of \$1,015,835, and dividends and interest of \$932,595.

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, 2016:

Cash and Cash Equivalents	\$ 2,165,717
Investments, Non-Current, Net of Gift Annuity Obligations	54,748,654
Pledge Receivables, Current	585,234
Pledge Receivables, Net Non-Current	1,968,342
Miscellaneous Receivables, Current	322,821
Prepaid Expenses	4,449
Accrued Interest Receivable	50,306
Other Assets	1,308,237
Other Liabilities	<u>(479,099)</u>
	<u><u>\$ 60,674,661</u></u>

The Association has \$16,665,353 of unrestricted funds 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 unitrust 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 are recorded at their fair value of \$206,901 at December 31, 2016.

The obligation under this trust agreement is \$61,204 at December 31, 2016, which represents the present value of future amounts payable under the terms of this charitable remainder unitrust agreement based on Internal Revenue Service guidelines. The agreement terminates upon the earlier of the grantor's death, which occurred during 2012, or not more than ten years later, should his children survive him. The agreement provides that the children of the grantor become successor trustees upon his death for a period of not more than ten years. The Association would become the beneficiary of the remainder of the trust assets after this term.

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NOTE 6 PLEDGES RECEIVABLE

Association pledges receivable at December 31, 2016, 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	\$ 7,135,999
Less Unamortized Discount	(74,898)
Subtotal	7,061,101
Less Allowance for Doubtful Accounts	(127,491)
Pledges Receivable, Net	\$ 6,933,610

	Association	
	Net	Gross
Amounts Due in:		
Less Than One Year	\$ 1,825,880	\$ 1,953,371
Years One to Five	5,107,730	5,182,628
More Than Five Years	-	-
Total	\$ 6,933,610	\$ 7,135,999

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

NOTE 7 OTHER ASSETS

The Association received a bequest during 2011, which includes artwork and other items. At December 31, 2016, the fair value of the bequest is \$1,308,237, which is included in other assets and temporarily restricted net assets.

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NOTE 8 PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2016 is as follows:

	Balance January 1, 2016	Additions	Transfers or Retirements	Balance December 31, 2016
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Zoo:				
Capital Assets, Not Being Depreciated:				
Land Held for Development	\$ 6,308,610	\$ -	\$ -	\$ 6,308,610
Construction in Progress	7,132,794	9,799,499	(3,286,312)	13,645,981
Total Capital Assets, Not Being Depreciated	<u>13,441,404</u>	<u>9,799,499</u>	<u>(3,286,312)</u>	<u>19,954,591</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements and Equipment	258,223,200	3,286,312	(4,345,529)	257,163,983
Less Accumulated Depreciation for: Buildings and Improvements and Equipment	<u>(152,547,587)</u>	<u>(10,252,309)</u>	<u>4,327,029</u>	<u>(158,472,867)</u>
Total Capital Assets, Being Depreciated, Net	<u>105,675,613</u>	<u>(6,965,997)</u>	<u>(18,500)</u>	<u>98,691,116</u>
Zoo	<u>119,117,017</u>	<u>2,833,502</u>	<u>(3,304,812)</u>	<u>118,645,707</u>
Association:				
Capital Assets, Being Depreciated: Buildings and Improvements and Equipment	108,156	-	(108,156)	-
Less Accumulated Depreciation for: Buildings and Improvements and Equipment	<u>(108,156)</u>	<u>-</u>	<u>108,156</u>	<u>-</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Combined Zoo and Association	<u><u>\$ 119,117,017</u></u>	<u><u>\$ 2,833,502</u></u>	<u><u>\$ (3,304,812)</u></u>	<u><u>\$ 118,645,707</u></u>

Depreciation expense was \$10,252,309 for the Zoo for the year ended December 31, 2016.

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, 2016, totaled approximately \$4,471,527.

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

Benefits

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

Contributions

Employer contribution rates are established annually by the Board of Trustees based on an actuarial study. The Board of Trustees established the required employer contribution rates, based on active member payroll, of 13.86% effective July 1, 2015 and 12.43% effective July 1, 2016.

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 \$2,384,609 and \$2,591,572 for the years ended December 31, 2016 and 2015.

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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, 2016, the Zoo reported a liability of \$15,870,903 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2015.

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, 2016 and 2015. At December 31, 2016, the Zoo's proportion was 7.58495%, which increased from 7.44792%, the percentage used to allocate the liability as of December 31, 2015.

There were no changes in benefit terms during the ERS plan year ended September 30, 2016, that affected the measurement of total pension liability.

For the year ended December 31, 2016, the Zoo recognized pension expense of \$3,252,409.

	2016
Contributions Recorded to Pension Plan	\$ 2,384,680
Pension Expense Related to Deferred Inflows and Outflows	867,729
Total Pension Expense	\$ 3,252,409

At December 31, 2016, the Zoo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 319,903
Changes of Assumptions	-	129,129
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,981,217	-
Changes in Proportion and Differences Between Zoo Contributions and Proportionate Share of Contributions	351,754	-
Zoo Contributions Subsequent to the Measurement Date	602,880	-
Total	\$ 3,935,851	\$ 449,032

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NOTE 9 EMPLOYEE BENEFIT PLANS (CONTINUED)

The \$602,880 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Zoo's fiscal year following ERS' fiscal year as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2017	\$ 916,389
2018	985,684
2019	1,178,308
2020	<u>(196,442)</u>
Total	<u>\$ 2,883,939</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, 2015 measurement date:

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

Mortality rates were based on the RP-2000 Healthy Mortality three-year set-forward with generational projections using Scale AA. The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the last 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
Private Equity	5.00%	8.25%
Real Estate	10.00%	5.00%
Hedge Funds	10.00%	4.50%
Master Limited Partnerships	7.50%	6.00%
International Equity	21.50%	6.84%
Domestic Equity	21.00%	5.05%
Fixed Income	25.00%	2.25%
Totals	<u>100.00%</u>	

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, 2016

Inflation Assumption	2.50%
Standard Deviation	10.00%
Administrative Expenses	0.30% of covered payroll
Municipal Bond Yield	3.06% as of September 30, 2016 Bond-Buyer 20-Bond GO Index, September 29, 2016
Long-Term Expected Rate of Return	7.50% net of investment expenses as of September 30, 2016
Discount Rate	7.50% as of September 30, 2016

Discount Rate – The discount rate used to measure the total pension liability was 7.50% as of September 30, 2016. 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	\$ 23,349,011	\$ 15,870,903	\$ 9,479,037

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, 2016, 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 2016, a participant's annual contribution is limited to the lesser of \$18,000 or 100% of the participant's annual compensation. Participants are permitted to make additional deferrals of income for one or more of the last three tax years that end before normal retirement age. The allowable deferral for such participant is increased, up to a limit of twice the standard dollar amount for the year, by the amount of allowable deferrals not made in any previous plan years. Alternatively, individuals age 50 or over may make additional catch-up contributions as defined under Section 457, with certain limitations during the last three years of employment prior to attaining normal retirement age. Benefits under this plan are payable only in the event of separation from service or unforeseeable emergency resulting in severe financial hardship. The plans are administered by third parties.

Supplemental Benefits

The Zoo paid supplemental compensation of \$151,135 to a key officer of the Zoo during the year ended December 31, 2016. 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 \$118,902 as of December 31, 2016, 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 \$332,922 primarily represent grants awarded to the Zoo which have not been expended as of December 31, 2016.

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 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 \$16,665,353 of certain unrestricted donor gifts or gifts transferred in from the Zoo as board designated as more fully described in Note 15.

Association

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

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NOTE 11 NET POSITION (CONTINUED)

Zoo and Association (Continued)

Restricted Expendable – This consists of net positions that are legally restricted by outside donors or by law through constitutional provisions or enabling legislation. The Association's expendable funds are temporarily restricted donations restricted by outside donors for a specific purpose, primarily capital projects. These net positions will be released upon meeting that specific purpose. The Association endowment funds' temporarily restricted net positions are related to the income earned on the permanently restricted net position that is restricted for educational programs, animal health and welfare, conservation and research activities, endowed positions, and institutional operations. See Note 15. These net positions will be released when appropriated for expenditures. Temporarily restricted net position total \$3,347,973 and \$11,757,457 for the Association non-endowed and endowed funds, respectively, as of December 31, 2016.

NOTE 12 POST-EMPLOYMENT OBLIGATIONS

The Zoo has several post-separation employment agreements in place with key officers and one former retired key officer. Generally accepted accounting principles require the recording of such obligations over the period that the key officer is employed with the Zoo. The terms of these agreements require payments to the key officer upon their separation or retirement from the Zoo ranging from three to eleven years. The amount of post-separation employment obligations in the Zoo's statement of net position is \$554,792 as of December 31, 2016, its estimated net present value. The liability related to these post-separation employment obligations decreased \$18,119 for the year ended December 31, 2016.

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.

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 \$312,276 for the year ended December 31, 2016.

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NOTE 14 SERVICE AGREEMENT COMMITMENTS (CONTINUED)

Future minimum payments are as follows at December 31, 2016:

2017	\$	234,773
2018		140,795
2019		32,414
2020		19,010
Total	<u>\$</u>	<u>426,992</u>

NOTE 15 ASSOCIATION NET POSITION

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

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

Association net position composition by type of net position for non-endowment funds as of December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Association Non-Endowment Net Position, Beginning of Year	\$ 30,587,671	\$ 8,454,551	\$ 39,042,222
Investment Earnings	582,644	-	582,644
Operating Revenues	11,095,388	-	11,095,388
Contributions, net of write-offs	2,903,022	8,622	2,911,644
Net Position Released	5,115,200	(5,115,200)	-
Appropriations for:			
Operations	8,417,846	-	8,417,846
Transfers to Zoo	9,411,049	-	9,411,049
Total Appropriations for Expenditures	<u>17,828,895</u>	<u>-</u>	<u>17,828,895</u>
Association Non-Endowment Net Position, End of Year	<u>\$ 32,455,030</u>	<u>\$ 3,347,973</u>	<u>\$ 35,803,003</u>

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
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 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2016**

NOTE 15 ASSOCIATION NET POSITION (CONTINUED)

Interpretation of Relevant Law

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

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

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

Association net position composition by type of net position for endowment funds as of December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 11,757,457	\$ 32,251,851	\$ 44,009,308
Board-Designated Endowment Funds	<u>16,665,353</u>	<u>-</u>	<u>-</u>	<u>16,665,353</u>
Total Endowment Funds	<u>\$ 16,665,353</u>	<u>\$ 11,757,457</u>	<u>\$ 32,251,851</u>	<u>\$ 60,674,661</u>

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 DECEMBER 31, 2016**

NOTE 15 ASSOCIATION NET POSITION (CONTINUED)

Interpretation of Relevant Law (Continued)

Changes in the Association net position for endowment funds for the year ended December 31, 2016:

	<u>Unrestricted</u>		Temporarily Donor- Restricted	Permanently Donor- Restricted	Total
	<u>General</u>	<u>Board Designated</u>			
Association Endowment Funds Net Position, Beginning of Year	\$ -	\$ 11,536,976	\$ 9,823,301	\$ 31,243,941	\$ 52,604,218
Investment Return:					
Investment Income	-	-	749,286	-	749,286
Net Appreciation (Realized and Unrealized)	-	-	<u>3,110,414</u>	-	<u>3,110,414</u>
Total Investment Return	-	-	3,859,700	-	3,859,700
Contributions	-	5,128,377	-	1,007,910	6,136,287
Appropriations for:					
Harvest-Available for Use Operations	-	-	1,225,693	-	1,225,693
	<u>-</u>	<u>-</u>	<u>699,851</u>	<u>-</u>	<u>699,851</u>
Total Appropriations for Expenditures	<u>-</u>	<u>-</u>	<u>1,925,544</u>	<u>-</u>	<u>1,925,544</u>
Association Endowment Funds Net Position, End of Year	<u>\$ -</u>	<u>\$ 16,665,353</u>	<u>\$ 11,757,457</u>	<u>\$ 32,251,851</u>	<u>\$ 60,674,661</u>

Description of amounts classified as permanently restricted net position of the Association as of December 31, 2016, is as follows:

Permanently Restricted Net Position

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

\$ 32,251,851

**SAINT LOUIS ZOO
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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 Board of Directors, the Association, and 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 a small percentage of alternative investment funds. The Capital Preservation (target 30%) is mostly Fixed Income with some 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, 2016, 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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 DECEMBER 31, 2016**

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, 2016, 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
Investments:				
Money Market Funds	\$ 709,744	\$ -	\$ -	\$ 709,744
U.S. Govt. Obligations	-	2,844,833	-	2,844,833
Corporate Obligations	-	4,583,705	-	4,583,705
Foreign Issues	-	615,013	-	615,013
Municipal Issues	-	389,658	-	389,658
Mutual Funds	42,349,965	-	-	42,349,965
Investments at Fair Value	<u>\$ 43,059,709</u>	<u>\$ 8,433,209</u>	<u>\$ -</u>	<u>51,492,918</u>
Alternative Investments at NAV				<u>18,170,284</u>
Total Investments				<u>\$ 69,663,202</u>
Other Assets and Liabilities:				
Pledge Receivables - Current	\$ -	\$ 1,825,880	\$ -	\$ 1,825,880
Pledge Receivables - Non-Current	-	5,107,730	-	5,107,730
Beneficial Interest in a Trust Agreement	-	-	206,901	206,901
Obligation Under Trust Agreement	-	-	(61,204)	(61,204)
Gift Annuities - Other Liabilities	-	(2,154,540)	-	(2,154,540)

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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 DECEMBER 31, 2016**

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, 2016:

	Beneficial Interest in a Trust Agreement	Obligation Under Trust Agreements
January 1, 2016	\$ 209,392	\$ (71,929)
Net Purchases (Sales)	(14,486)	-
Distributions	(14,452)	-
Change in Value	-	10,725
Trust Fees	(4,909)	-
Unrealized and Realized Gains	31,356	-
December 31, 2016	<u>\$ 206,901</u>	<u>\$ (61,204)</u>

Assets Measured Using Net Asset Value

Investments that are measured at net asset value per share as of December 31, 2016:

2016 Investment	2016 Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Archipelago Holdings, Ltd.	\$ 2,874,950	\$ -	Quarterly	45 days
Brandywine Global Investment Management Trust: Global Opportunistic Fixed Income Fund	1,389,312	-	Daily	10 days
Forester Offshore Ltd.	1,973,923	-	Annual	95 days
IR&M Intermediate Fund LLC	5,452,466	-	Daily	2 days
Wellington Trust Company, NA CTF Diversified Inflation Hedges Portfolio	2,274,157	-	Quarterly	45 days
Anchorage Capital Partners Offshore LTD.	1,338,058	-	Bi-Annual	45 days
Davidson Kempner International LTD	1,379,165	-	Quarterly	60 days
HBK Multi-Strategy Offshore Fund Ltd.	<u>1,488,253</u>	-	Quarterly	90 days
Total Investments Measured at NAV	<u>\$ 18,170,284</u>			

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 DECEMBER 31, 2016**

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, 2016:

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.

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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 2013 and subsequent tax years are open and subject to examination by the Internal Revenue Service for the Association (including former Foundation, Friends, and the Endowment Trust). 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, 2016.

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

NOTE 18 SUBSEQUENT EVENTS

The Saint Louis Zoo has evaluated subsequent events through April 5, 2017, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

**SAINT LOUIS ZOO
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 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 YEAR ENDED DECEMBER 31, 2016**

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

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

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

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

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

Schedule of Contributions

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

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

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

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

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

There were no changes in benefit terms or assumptions in the plan for the year ended September 30, 2016.

Contribution rates to ERS for the Zoo were:

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

SUPPLEMENTARY INFORMATION – AUDITED

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
SCHEDULE OF OTHER OPERATING REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2016
(WITH SUMMARIZED COMPARATIVE TOTAL FINANCIAL INFORMATION FOR YEARS ENDED
DECEMBER 31, 2016 AND 2015)

	2016		Comparative Totals (Unaudited)*	
	Primary	Component		
	Government	Unit		
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association		
			2016	2015
OTHER OPERATING REVENUES				
Endocrinology Lab Fees	\$ 60,019	\$ -	\$ 60,019	\$ 116,966
Miscellaneous Income	629,347	67,046	684,393	703,651
TOTAL OTHER OPERATING REVENUES	\$ 689,366	\$ 67,046	\$ 744,412	\$ 820,617
OTHER OPERATING EXPENDITURES				
Staff Benefits and Development	\$ 197,308	\$ -	\$ 197,308	\$ 167,475
Loss on Stock Gift/Fees/Commissions	-	129,612	129,612	108,917
Machinery and Equipment Purchases (Non-Capitalizable)	133,385	2,312	135,697	149,490
Dues/Subscriptions/Registration Fees	128,955	14,772	143,727	131,532
Rentals	-	59,842	59,842	59,616
Creative Development	-	3,539	3,539	-
Grant Expenses	155,302	-	155,302	124,176
Pledge Discount/Bad Debt Expense	-	417,740	417,740	321,892
Gift Annuity Expense	-	179,518	179,518	171,911
Entertainment	-	153,604	153,604	275,769
Traveling Exhibit Services	408,338	-	408,338	409,055
Other Outside Services	362,665	-	362,665	368,342
Miscellaneous	468,563	39,019	495,582	456,595
TOTAL OTHER OPERATING EXPENDITURES	\$ 1,854,516	\$ 999,958	\$ 2,842,474	\$ 2,744,770

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

ADDITIONAL SUPPLEMENTARY INFORMATION – UNAUDITED

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF NET POSITION (UNAUDITED)
 DECEMBER 31, 2016
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2015)**

	2016	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
ASSETS AND DEFERRED OUTFLOW OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents (Note 3)	\$ 2,603,949	\$ 19,343,472
Investments (Note 3)	-	-
Due from Zoo Museum District, Net (Note 1)	15,455,486	-
Pledges Receivable, Net (Note 6)	-	1,825,880
Miscellaneous Receivables	185,028	1,683,631
Due from Component Unit, Net (Note 2)	837,494	1,068,806
Inventories	705,470	16,704
Prepaid Expenses	433,345	110,706
Accrued Interest Receivable	-	50,306
	20,220,772	24,099,505
LONG-TERM INVESTMENTS (NOTE 3)	-	69,663,202
BENEFICIAL INTEREST IN A TRUST AGREEMENT (NOTE 5)	-	206,901
PLEDGES RECEIVABLE, NONCURRENT, NET (NOTE 6)	-	5,107,730
OTHER ASSETS (NOTE 7)	-	1,308,237
PROPERTY AND EQUIPMENT (NOTE 8)	118,645,707	-
DEFERRED OUTFLOW OF RESOURCES (NOTE 9)	3,935,851	-
Total Assets and Deferred Outflow of Resources	\$ 142,802,330	\$ 100,385,575

2016		
Eliminating Entries	Combined Total	2015
\$ -	\$ 21,947,421	\$ 19,032,645
-	-	208,591
-	15,455,486	15,041,729
-	1,825,880	4,478,070
-	1,868,659	806,636
(1,906,300)	-	-
-	722,174	792,999
-	544,051	383,862
-	50,306	37,130
(1,906,300)	42,413,977	40,781,662
-	69,663,202	62,515,251
-	206,901	209,392
-	5,107,730	6,106,605
-	1,308,237	1,477,575
-	118,645,707	119,117,017
-	3,935,851	5,923,816
<u>\$ (1,906,300)</u>	<u>\$ 241,281,605</u>	<u>\$ 236,131,318</u>

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 COMBINING AND COMBINED STATEMENT OF NET POSITION (UNAUDITED) (CONTINUED)
 DECEMBER 31, 2016
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2015)**

	2016	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,513,817	\$ 362,258
Accrued Expenses and Other Liabilities (Note 1)	963,990	623,458
Due to Component Unit, Net (Note 2)	1,068,806	837,494
Deferred Support and Income (Note 10)	332,922	118,902
Total Current Liabilities	4,879,535	1,942,112
OTHER LIABILITIES (NOTE 1)	-	1,904,595
OBLIGATION UNDER TRUST AGREEMENT (NOTE 5)	-	61,204
POST-EMPLOYMENT OBLIGATIONS (NOTE 12)	554,792	-
NET PENSION LIABILITY (NOTE 9)	15,870,903	-
DEFERRED INFLOW OF RESOURCES (NOTE 9)	449,032	-
Total Liabilities and Deferred Inflow of Resources	21,754,262	3,907,911
NET POSITION (NOTE 11 AND NOTE 15)		
Invested in Capital Assets	118,645,707	-
Restricted For		
Expendable		
Endowment - Donor Restricted	-	11,757,457
Capital Projects - Donor Restricted	-	3,347,973
Nonexpendable		
Endowment - Donor Restricted	-	32,251,851
Unrestricted	2,402,361	49,120,383
Total Net Position	121,048,068	96,477,664
Total Liabilities, Deferred Inflow of Resources and Net Position	\$ 142,802,330	\$ 100,385,575

2016		
Eliminating Entries	Combined Total	2015
\$ -	\$ 2,876,075	\$ 2,349,045
-	1,587,448	1,280,158
(1,906,300)	-	-
-	451,824	479,106
(1,906,300)	4,915,347	4,108,309
-	1,904,595	1,857,919
-	61,204	71,929
-	554,792	580,015
-	15,870,903	16,915,987
-	449,032	524,184
(1,906,300)	23,755,873	24,058,343
-	118,645,707	119,117,017
-	11,757,457	9,823,301
-	3,347,973	8,454,551
-	32,251,851	31,243,941
-	51,522,744	43,434,165
-	217,525,732	212,072,975
<u>\$ (1,906,300)</u>	<u>\$ 241,281,605</u>	<u>\$ 236,131,318</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, 2016**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
OPERATING REVENUES		
Food and Beverage	\$ 11,566,520	\$ -
Contributions	-	2,911,644
Membership Dues and Parent Program	-	4,656,222
Retail	5,127,857	-
Parking Lot	3,671,778	-
Attractions	3,009,513	-
Sponsorship and Event	273,800	1,330,058
Other	689,366	67,046
Marlin Perkins Society	-	2,042,368
Education	1,655,985	-
Children's Zoo	814,305	-
ZOOFARI and A ZOO ADO	-	549,694
Outside Vendors	259,259	-
Sea Lion Show	446,287	-
Sales and Catering	468,822	-
WildCare Institute	219,058	-
Total Operating Revenues	28,202,550	11,557,032
OPERATING EXPENSES		
Salaries and Wages	21,696,775	4,505,372
Fringe Benefits	7,024,064	524,186
Merchandise	5,143,271	22,196
Animal Food and Medical Care	1,039,570	-
Utilities	3,091,935	1,706
Supplies	1,196,888	770,279
Property and Liability Insurance	649,960	36,000
Computer and IT Maintenance	352,271	56,333
Financial Institution Charges	13,650	344,083
Donor and Member Amenities	-	221,971
Postage	32,092	306,625
Service Fees	410,539	23,959
Other Operating Expenditures	1,854,516	999,958
Conservation and Research	832,119	-
Travel	209,484	14,073
Legal/Audit/Consulting	273,188	757,764
Repairs and Maintenance	1,068,498	-
Printing and Graphics	174,117	457,203
Marketing	1,446,711	75,989
Animal Sales and Purchases, Net	121,510	-
Major Expense	630,568	-
Depreciation (Note 8)	10,252,309	-
Total Operating Expenses	57,514,035	9,117,697
Operating Income (Loss)	(29,311,485)	2,439,335

2016		
Eliminating Entries	Combined Total	2015
\$ -	\$ 11,566,520	\$ 11,169,759
-	2,911,644	7,103,743
-	4,656,222	4,717,234
-	5,127,857	4,971,339
-	3,671,778	3,518,940
-	3,009,513	2,855,942
-	1,603,858	1,676,905
(12,000)	744,412	820,617
-	2,042,368	1,903,290
-	1,655,985	1,609,940
-	814,305	748,115
-	549,694	1,105,042
-	259,259	227,132
-	446,287	412,068
-	468,822	384,267
-	219,058	188,482
(12,000)	39,747,582	43,412,815
-	26,202,147	25,126,341
-	7,548,250	7,202,744
-	5,165,467	5,047,416
-	1,039,570	1,034,031
-	3,093,641	3,044,377
-	1,967,167	2,086,297
-	685,960	677,507
-	408,604	490,953
-	357,733	253,105
-	221,971	394,335
-	338,717	386,145
-	434,498	424,642
(12,000)	2,842,474	2,744,770
-	832,119	899,054
-	223,557	225,138
-	1,030,952	613,740
-	1,068,498	936,964
-	631,320	678,752
-	1,522,700	1,657,914
-	121,510	85,306
-	630,568	316,068
-	10,252,309	10,440,175
(12,000)	66,619,732	64,765,774
-	(26,872,150)	(21,352,959)

**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, 2016**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
NONOPERATING REVENUES (EXPENSES)		
Loss on Disposal of Property and Equipment	\$ (18,500)	\$ -
Tax Revenue, Net	21,735,685	-
Investment Income (Loss)	17,031	4,442,344
Bequest and Endowment Contributions	-	6,136,287
Other Contributions/Grants	12,060	-
Total Nonoperating Revenues	21,746,276	10,578,631
Income (Loss) Before Transfers of Contributions	(7,565,209)	13,017,966
TRANSFERS OF CONTRIBUTIONS		
Parent Program	348,857	(348,857)
Capital Projects	8,829,109	(8,829,109)
WildCare Institute	197,083	(197,083)
Endowment Harvest	1,225,693	(1,225,693)
Carousel	36,000	(36,000)
Shared Services (Note 1)	(2,450,000)	2,450,000
Total Transfers of Contributions	8,186,742	(8,186,742)
CHANGES IN NET POSITION	621,533	4,831,224
Net Position - Beginning of Year	120,426,535	91,646,440
NET POSITION - END OF YEAR	\$ 121,048,068	\$ 96,477,664

2016		
Eliminating Entries	Combined Total	2015
\$ -	\$ (18,500)	\$ (143,967)
-	21,735,685	21,542,160
-	4,459,375	(685,548)
-	6,136,287	1,045,843
-	12,060	-
-	32,324,907	21,758,488
-	5,452,757	405,529
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	5,452,757	405,529
-	212,072,975	211,667,446
\$ -	\$ 217,525,732	\$ 212,072,975

**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, 2016**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Patrons/Contributors	\$ 28,230,777	\$ 16,756,580
Cash Paid to Employees and Suppliers	(48,460,531)	(8,792,157)
Cash Received from (Paid to) Component Unit for Operations	489,887	(489,887)
Net Cash Provided (Used) by Operating Activities	(19,739,867)	7,474,536
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash Received from Property Tax Assessments	21,321,928	-
Cash Contributions Received for Board Restricted		5,128,381
Cash Contributions Received for Permanent Endowment	-	1,007,909
Net Cash Provided by Non-Capital Financing Activities	21,321,928	6,136,290
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Received from (Paid to) Component Unit for Property and Equipment	7,991,615	(7,991,615)
Payments for Property and Equipment	(9,799,501)	-
Cash Received from Grants	12,060	-
Net Cash Used by Capital and Related Financing Activities	(1,795,826)	(7,991,615)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Maturities and Sales	-	5,319,313
Investment Purchases	-	(8,068,888)
Cash Received from Investment Earnings	17,031	241,874
Net Cash Provided (Used) by Investing Activities	17,031	(2,507,701)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(196,734)	3,111,510
Cash and Cash Equivalents - Beginning of Year	2,800,683	16,231,962
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,603,949	\$ 19,343,472

2016		
Eliminating Entries	Combined Total	2015
\$ -	\$ 44,987,357	\$ 48,762,488
-	(57,252,688)	(58,873,695)
-	-	-
-	(12,265,331)	(10,111,207)
-	21,321,928	20,056,475
-	5,128,381	751,922
-	1,007,909	293,920
-	27,458,218	21,102,317
-	-	-
-	(9,799,501)	(6,572,238)
-	12,060	-
-	(9,787,441)	(6,572,238)
-	5,319,313	1,502,933
-	(8,068,888)	(2,619,342)
-	258,905	70,054
-	(2,490,670)	(1,046,355)
-	2,914,776	3,372,517
-	19,032,645	15,660,128
\$ -	\$ 21,947,421	\$ 19,032,645

**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, 2016
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)**

	2016	
	Primary	Component
	Government	Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities		
Operating Income (Loss)	\$ (29,311,485)	\$ 2,439,335
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	10,252,309	-
Transfers of Shared Services	(2,450,000)	2,450,000
Due to/from Component Unit	489,887	(489,887)
(Increase) Decrease in Assets:		
Pledges Receivable	-	3,651,062
Miscellaneous Receivables	45,474	(1,107,497)
Inventories	87,531	(16,704)
Prepaid Expenses	(159,951)	(238)
Other Assets	-	169,338
Increase in Deferred Outflows of Resources	1,987,965	-
Increase (Decrease) in Liabilities:		
Accounts Payable	264,530	262,500
Accrued Expenses and Other Current Liabilities	216,581	137,385
Post-Employment Obligations	(25,223)	-
Obligation Under Trust Agreement	-	(10,725)
Net Pension Liability	(1,045,084)	-
Unearned Support and Income	(17,249)	(10,033)
Decrease in Deferred Inflows of Resources	(75,152)	-
	<u>\$ (19,739,867)</u>	<u>\$ 7,474,536</u>

2016			
Eliminating Entries	Combined Total		2015
\$ -	\$ (26,872,150)		\$ (21,352,959)
-	10,252,309		10,440,175
-	-		-
-	-		-
-	3,651,062		3,252,952
-	(1,062,023)		(581,094)
-	70,827		16,155
-	(160,189)		(15,101)
-	169,338		2,306
-	1,987,965		(4,862,160)
-	527,030		(2,408,357)
-	353,966		113,976
-	(25,223)		(16,368)
-	(10,725)		(21,019)
-	(1,045,084)		5,618,020
-	(27,282)		67,337
-	(75,152)		(365,070)
<u>\$ -</u>	<u>\$ (12,265,331)</u>		<u>\$ (10,111,207)</u>

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

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	
	Primary Government	Component Unit
	Saint Louis Zoological Subdistrict	Saint Louis Zoo Association
OTHER OPERATING REVENUES		
Endocrinology Lab Fees	\$ 60,019	\$ -
Miscellaneous Income	629,347	67,046
	\$ 689,366	\$ 67,046
TOTAL OTHER OPERATING REVENUES	\$ 689,366	\$ 67,046
OTHER OPERATING EXPENDITURES		
Staff Benefits and Development	\$ 197,308	\$ -
Loss on Stock Gift/Fees/Commissions	-	129,612
Machinery and Equipment Purchases (Non-Capitalizable)	133,385	2,312
Dues/Subscriptions/Registration Fees	128,955	14,772
Rentals	-	59,842
Creative Development	-	3,539
Grant Expenses	155,302	-
Pledge Discount/Bad Debt Expense	-	417,740
Gift Annuity Expense	-	179,518
Entertainment	-	153,604
Traveling Exhibit Services	408,338	-
Other Outside Services	362,665	-
Miscellaneous	468,563	39,019
	\$ 1,854,516	\$ 999,958
TOTAL OTHER OPERATING EXPENDITURES	\$ 1,854,516	\$ 999,958

2016		
Eliminating Entries	Combined Total	2015
\$ -	\$ 60,019	\$ 116,966
(12,000)	684,393	703,651
<u>\$ (12,000)</u>	<u>\$ 744,412</u>	<u>\$ 820,617</u>
\$ -	\$ 197,308	\$ 167,475
-	129,612	108,917
-	135,697	149,490
-	143,727	131,532
-	59,842	59,616
-	3,539	-
-	155,302	124,176
-	417,740	321,892
-	179,518	171,911
-	153,604	275,769
-	408,338	409,055
-	362,665	368,342
(12,000)	495,582	456,595
<u>\$ (12,000)</u>	<u>\$ 2,842,474</u>	<u>\$ 2,744,770</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, 2016
 COMBINED 2016 ACTUAL vs. 2016 BUDGET COMPARISON (UNAUDITED)**

	2016 Combined Actuals	2016 Combined Budget YTD	Over / (Under) Budget	% Change
*** ATTENDANCE ***	3,180,778	3,200,000	(19,222)	-0.60%
OPERATING REVENUES				
Food Service	\$ 11,566,520	\$ 10,598,879	\$ 967,641	9.13%
Contributions	2,911,644	2,091,150	820,494	39.24%
Membership Dues and Parent Program	4,656,222	4,774,717	(118,495)	-2.48%
Retail	5,127,857	4,446,795	681,062	15.32%
Parking Lot	3,671,778	3,002,293	669,485	22.30%
Attractions	3,009,513	2,898,466	111,047	3.83%
Sponsorship and Event Revenue	1,603,858	1,372,050	231,808	16.90%
Other	744,412	443,258	301,154	67.94%
Marlin Perkins Society	2,042,368	1,800,000	242,368	13.46%
Education	1,655,985	1,859,902	(203,917)	-10.96%
Children's Zoo	814,305	840,578	(26,273)	-3.13%
ZOOFARI and A ZOO ADO	549,694	500,000	49,694	9.94%
Outside Vendors	259,259	218,650	40,609	18.57%
Sea Lion Show	446,287	606,620	(160,333)	-26.43%
Group Sales	468,822	355,991	112,831	31.69%
WildCare Institute	219,058	77,489	141,569	182.70%
Total operating revenues	<u>39,747,582</u>	<u>35,886,838</u>	<u>3,860,744</u>	<u>10.76%</u>
OPERATING EXPENSES				
Salaries and Wages	26,202,147	25,776,728	425,419	1.65%
Fringe Benefits	7,548,250	7,173,728	374,522	5.22%
Merchandise	5,165,467	4,638,391	527,076	11.36%
Animal Food and Medical Care	1,039,570	1,119,968	(80,398)	-7.18%
Utilities	3,093,641	3,421,977	(328,336)	-9.59%
Supplies	1,967,167	2,196,598	(229,431)	-10.44%
Property and Liability Insurance	685,960	724,452	(38,492)	-5.31%
Computer and IT Maintenance	408,604	469,258	(60,654)	-12.93%
Financial Institution Charges	357,733	261,110	96,623	37.00%
Donor & Member Amenities	221,971	213,781	8,190	3.83%
Postage	338,717	405,219	(66,502)	-16.41%
Service Fees	434,498	493,805	(59,307)	-12.01%
Other Operating Expenditures	2,842,474	2,094,870	747,604	35.69%
Conservation and Research	832,119	946,900	(114,781)	-12.12%
Travel	223,557	259,003	(35,446)	-13.69%
Legal/Audit/Consulting	1,030,952	561,483	469,469	83.61%
Repairs and Maintenance	1,068,498	1,050,500	17,998	1.71%
Printing and Graphics	631,320	789,552	(158,232)	-20.04%
Marketing	1,522,700	1,656,860	(134,160)	-8.10%
Animal Sales and Purchases, Net	121,510	119,000	2,510	2.11%
Major Expense	630,568	422,224	208,344	49.34%
Depreciation	10,252,309	11,000,000	(747,691)	-6.80%
Total Operating Expenses	<u>66,619,732</u>	<u>65,795,407</u>	<u>824,325</u>	<u>1.25%</u>
Operating Income (Loss)	<u>\$ (26,872,150)</u>	<u>\$ (29,908,569)</u>	<u>\$ 3,036,419</u>	<u>-10.15%</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, 2016
 COMBINED 2016 ACTUAL vs. 2016 BUDGET COMPARISON (UNAUDITED)**

	2016 Combined Actuals	2016 Combined Budget YTD	Over / (Under) Budget	% Change
NONOPERATING REVENUES				
Loss on Disposal of Property and Equipment	\$ (18,500)	\$ -	\$ (18,500)	0.00%
Tax Revenue (Net)	21,735,685	21,020,123	715,562	3.40%
Investment Income	4,459,375	3,579,500	879,875	24.58%
Bequest and Endowment Contributions	6,136,287	1,087,351	5,048,936	464.33%
Other Contributions/Grants	12,060	-	12,060	0.00%
Total Nonoperating Revenues	32,324,907	25,686,974	6,637,933	25.84%
Income (Loss) Before Contributions and Transfers	5,452,757	(4,221,595)	9,674,352	-229.16%
CONTRIBUTIONS AND TRANSFERS				
Transfer In (Zoo) - Program Contributions	581,940	529,604	52,336	9.88%
Transfer Out (Assn)- Program Contributions	(581,940)	(529,604)	(52,336)	9.88%
Transfer In (Zoo) - Capital Contributions	8,829,109	4,000,000	4,829,109	120.73%
Transfer Out (Assn)- Capital Contributions	(8,829,109)	(4,000,000)	(4,829,109)	120.73%
Transfer In (Zoo) - Endowment Harvest	1,225,693	1,225,693	-	0.00%
Transfer Out (Assn)- Endowment Harvest	(1,225,693)	(1,225,693)	-	0.00%
Transfer In (Zoo) - Shared Services	2,450,000	-	2,450,000	
Transfer Out (Assn)- Shared Services	(2,450,000)	-	(2,450,000)	
Total Contributions and Transfers	-	-	-	0.00%
CHANGES IN NET POSITION	\$ 5,452,757	\$ (4,221,595)	\$ 9,674,352	-229.16%

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2016 ACTUAL VS. 2016 BUDGET (UNAUDITED)**

ATTENDANCE

The Zoo fell below its targeted attendance for 2016, finishing the year with 3,180,778 visitors. This amount was 19,222 visitors below budget and was 64,350, or 1.98%, lower than prior year. Due to high precipitation rates and above average temperatures during key summer months' attendance suffered. Despite favorable weather at the end of the year, attendance numbers ended slightly below the annual budget of 3,200,000.

<u>5 Year Average</u>	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
3,248,585	3,180,778	3,200,000	(19,222)	(.60%)

TAX REVENUE (NET)

Tax Revenue was recorded at \$715,562, or 3.4%, favorable to budget, and \$193,525 or .9% greater than 2015. The 2016 tax rate was 7.99 cents per \$100 of assessed property value out of a maximum allowable 8.00 cents, this is a .06 cents higher than prior year's rate.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$21,735,685	\$21,020,123	\$715,562	3.40%

FOOD SERVICE

Food Service revenue exceeded budget primarily due to positive responses to price changes implemented during the 2016 fiscal year coupled with strong external event revenue. This higher-than-budgeted revenue was partially offset by increased labor costs and by the greater cost of goods sold driven by higher sales.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Sales	\$11,566,520	\$10,598,879	\$967,641	9.13%
Per Capita	\$3.64	\$3.31	\$.33	9.97%
Net	\$4,849,857	\$4,374,451	\$475,406	10.87%

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2016 ACTUAL VS. 2016 BUDGET (UNAUDITED)**

RETAIL

Retail revenue exceeded the 2016 budgeted amount by \$681,062, and was \$156,518 (3.15%) higher than 2015 levels. With all stores open for operation for all of the 2016 fiscal year, and strong sales generated at events such as Boo at the Zoo and Wildlights, retail operations were able to exceed both prior year and budgeted revenue. This higher-than-budgeted revenue was partially offset by increased labor costs and by the greater cost of goods sold driven by higher sales.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Sales	\$5,127,857	\$4,446,795	\$681,062	15.32%
Per Capita	\$1.61	\$1.39	\$0.22	15.83%
Net	\$2,301,601	\$1,764,092	\$537,509	30.47%

PARKING LOTS

Parking Lot revenue ended the year favorable to budget due to strong attendance in winter and spring months, as well as increased utilization of the additional parking spaces located on the South Campus during high attendance days throughout the year.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$3,671,778	\$3,002,293	\$669,485	22.30%
Per Capita	\$1.15	\$.94	\$.21	22.34%
Net	\$3,270,558	\$2,611,253	\$659,305	25.25%

ATTRACTIONS (RAILROAD, CAROUSEL, SIMULATOR)

Attractions revenue ended the year favorable to the budgeted amount primarily due to favorable responses to price changes and the restructured train ticketing methodology implemented during the 2016 fiscal year. The increase in revenue was further supported by efficient management and labor control.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$3,009,513	\$2,898,466	\$111,047	3.83%
Per Capita	\$.95	\$.91	\$.04	4.40%
Net	\$1,829,164	\$1,798,153	\$31,011	1.72%

**SAINT LOUIS ZOO
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 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2016 ACTUAL VS. 2016 BUDGET (UNAUDITED)**

CHILDREN'S ZOO

Children's Zoo revenue fell short of 2016 projections due to an aggressive revenue budget, and lower than anticipated individual ticket sales. This was offset by lower than anticipated hourly salary spending created through more effective use of volunteers. These figures do not include approximately \$58K in funds from donations and endowment harvests. Annually these funds are transferred to the Emerson Children's Zoo as non-operating revenue/program contributions, helping to offset expenses.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$814,305	\$840,578	(\$26,273)	(3.13%)
Per Capita	\$.26	\$.26	(\$0.00)	(0.00%)
Net	(\$319,991)	(\$349,543)	\$29,552	(8.45%)

SEA LION SHOW

The Sea Lion Show fell below 2016 revenue projections by \$160,333. Attendance for the show did not meet projections, and overall attendance at the Zoo during peak season also lagged during the show period. In addition the revenue budget for the year did not adequately anticipate the amount of individual ticket sales which would be lost by including the Sea Lion Show as part of the Adventure Pass.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$446,287	\$606,620	(\$160,333)	(26.43%)
Per Capita	\$.14	\$.19	(\$0.05)	(26.32%)
Net	\$154,258	\$270,991	(\$116,733)	(43.08%)

**SAINT LOUIS ZOO
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 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2016 ACTUAL VS. 2016 BUDGET (UNAUDITED)**

OUTSIDE VENDORS

Outside Vendors outperformed its 2016 budget due to stronger performances by all components including face painting, caricatures, and penny press machines. This additional revenue was partially offset by additional commission payments made in relation to additional sales.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$259,259	\$218,650	\$40,609	18.57%
Per Capita	\$.08	\$.07	\$.01	14.29%
Net	\$254,247	\$218,600	\$35,647	16.31%

EDUCATION

Education revenue overall is unfavorable to budget mainly due to lower than anticipated tuition fees. This variance was offset by below budget spending on salaries related to a position which was open for a portion of the year, as well as lower operating expenses associated with canceled programs. These figures do not include approximately \$194K in funds from donations and endowment contributions, which were transferred to the Education Department as non-operating revenue/program contributions.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$1,655,985	\$1,859,902	(\$203,917)	(10.96%)
Net	(\$1,017,644)	(\$1,032,876)	(\$15,232)	(1.47%)

SALES AND CATERING

Sales and catering revenue ended the year favorable to budget by \$112,831 primarily due to strong performance from group sales throughout the year and continued growth of the Zoo's behind the scenes tours program. Tours has seen increased participation over the past several years, and this year included new offerings.

	<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
Revenue	\$468,822	\$355,991	\$112,831	31.69%
Net	(\$228,024)	(\$311,396)	\$83,372	(26.77%)

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
 PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 REVENUE AND EXPENSE EXPLANATIONS
 NOTES TO THE 2016 ACTUAL VS. 2016 BUDGET (UNAUDITED)**

INVESTMENT INCOME (LOSS)

Overall investment revenue ended the year 24.58% ahead of budget. Despite fluctuations throughout the year, investment markets ended 2016 with positive results, and the Zoo was able to reap the benefit. U.S. Small Cap investments (Russell 2000) yielded the best results with 21.3% growth during the fiscal year. U.S. Large Cap (S&P 500), and Emerging Markets (MSCI Emerging Markets) also experienced strong positive growth. This coupled with newly implemented investment strategies resulted in the portfolio rebounding from a poor 2015 year.

<u>2016 Actual</u>	<u>2016 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>
\$4,459,375	3,579,500	\$879,875	24.58%

SUPPORT

Contributions – Contributions of \$2,911,644 exceeded the budget of \$2,091,150 by \$820,494. Thanks to a few large corporate pledges made in 2016 (including two pledges amounting to \$750,000) contributions ended the year with an overall positive variance to budget.

Bequest and Endowment Contributions – Endowment contributions of \$6,136,287 exceeded the budget of \$1,087,351 by \$5,048,936. The Zoo was the beneficiary of several large bequests in 2016 including an individual gift of \$2,000,000. These generous gifts resulted in a spectacular year for bequests and endowed contributions in 2016.

Membership Dues and Parent Program – Membership and Parent Program ended the year at \$4,656,222, falling short of the budget of \$4,774,717 by \$118,495. This variance is mainly due to fluctuations within individual membership levels with several levels such as Zoo-Goer short of initial projections.

ZOOFARI/A Zoo Ado – 2016 was an A ZOO ADO year. Event revenue was favorable to budget by \$49,695, primarily due to higher-than-anticipated underwriting revenue for the event. This resulted in a net income of \$336,921, which was \$58,974 above the \$277,947 budget.

Marlin Perkins Society – The Marlin Perkins Society ended the year with a positive budget variance of \$242,368, or 13.46%. The Society had all-time high revenue of \$2,042,368 largely thanks to additional recruiting related to the Marlin Perkins Society Silver Anniversary Challenge. The Society's net income of \$1,522,267 exceeded the budget of \$1,224,227 by \$298,040 or 24.35%.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
PARK AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
REVENUE AND EXPENSE EXPLANATIONS
NOTES TO THE 2016 ACTUAL VS. 2016 BUDGET (UNAUDITED)**

SALARIES

Salaries expense ended the year over budget by \$425,419 (1.65%). The variance was primarily due to increased labor needs from parking lots and food service departments associated with the increased revenues described above.

FRINGE BENEFITS

Fringes were \$374,522 (5.22%) favorable to budget mainly due to pension rate changes and group insurance payments. Pension rates, provided to the Zoo by the City of Saint Louis, dropped from 13.86% in the first half of 2016 to 12.43% resulting in lower than anticipated payments. In addition group insurance rates experienced a variance due to the number of employees who elect to opt out of coverage. These items coupled with the retirement of several full time employees throughout the course of the fiscal year resulted in fringe benefits coming in below the initial 2016 budget.

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 \$527,076 (11.36%) over budget due to higher-than-budgeted sales generated by the Food Service, Retail, and Outside Vendor operations.

ANIMAL FOOD AND MEDICAL CARE

Animal Food and Medical Care was \$80,398 favorable to budget primarily due to overall savings related to lower billing rates from a commercial laboratory and shipping costs, as well as cost savings associated with decreasing the amount of medications and supplies held on hand.

UTILITIES

Utility expenditures ended the year \$328,336 (9.59%) favorable to budget. Gas and electric utilities were under budget for the year thanks to conservation efforts coupled with unseasonably warmer weather in the spring and fall. In addition water usage was decreased with the turn off of water in both the Grizzly Ridge exhibit during construction and the Chain of Lakes exhibit.

SUPPLIES

Overall supply spending was \$229,431 favorable to budget for 2016. This variance was driven by a variety of accounts coming in under budget including food and beverage, oil/gas/lube, premium acquisitions, education, and onsite event supplies.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
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REVENUE AND EXPENSE EXPLANATIONS
NOTES TO THE 2016 ACTUAL VS. 2016 BUDGET (UNAUDITED)**

PROPERTY AND LIABILITY INSURANCE

Property and liability insurance costs ended the year \$38,492 favorable to budget. Due to the competitive insurance market, insurers are reducing rates in order to maintain customers. This coupled with reduced claim rates against the Zoo's general liability insurance resulted in savings to budget in the fiscal year.

OTHER OPERATING EXPENDITURES

The \$747,888 unfavorable variance in this sector primarily resulted from a large bad debt expense recorded in 2016. This write-down was due to the bankruptcy of a large corporate donor, which resulted in the write off of their final pledge payment. In addition higher than expected grant expenses, payroll processing fees, and the loss on the sale of donated assets attributed to the overall unfavorable variance.

ANIMAL SALES AND PURCHASES

This category varies greatly from year to year based on the Zoo's collection plans. In 2016, the budget totaled \$119,000, versus actual spending of \$121,510.

LEGAL / AUDIT / CONSULTING

Legal, audit and consulting expenses were \$469,469, or 83.61%, unfavorable to budget as a result of expenses associated with tax legislation plans.

PRINTING AND GRAPHICS

Printing and graphics costs were \$158,232, or 20.04%, favorable to budget mainly due to various departments throughout the Zoo printing fewer materials than initially projected. In addition costs were reduced by successfully bidding several projects throughout 2016.

MARKETING

Marketing expenses ended the year \$134,160, 8.10%, favorable to budget. Mailhouse acquisitions finished the year under budget due to efficiencies developed in the process, and creative production also experienced below budgeted spending throughout the year.

CONSERVATION AND RESEARCH

Conservation expenses ended the year \$114,781 favorable to budget. This variance is primarily attributed to postponed or canceled meetings and initiatives initially planned for 2016. In addition staffing transitions within the research department resulted in slower than anticipated spending during the year.

**SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL
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REVENUE AND EXPENSE EXPLANATIONS
NOTES TO THE 2016 ACTUAL VS. 2016 BUDGET (UNAUDITED)**

REPAIRS AND MAINTENANCE

Repairs and Maintenance expenditures were \$17,998, 1.71% unfavorable to budget. This variance is primarily due to additional maintenance supplies and preventative maintenance activities throughout the Zoo required to upkeep the functionality of the campus' aging infrastructure.

TRAVEL

Travel expenses were favorable to budget by \$35,446 due to continued efforts to decrease nonessential out-of-town travel and travel-related activities.

MAJOR EXPENSE

Major Expense ended the year unfavorable to budget by \$208,344. This was due to the Zoo's commissioning of information technology, facilities, and business operations studies during the 2016 fiscal year. These studies do not meet the criteria for capitalization and as a result are classified as major expenses for the year. Major Expense items are budgeted as part of the operating capital process, but expensed later as they do not meet the Zoo's minimum fixed asset definition.

DEPRECIATION

2016 Depreciation totaled \$10,252,309, which fell below the \$11,000,000 budget by \$747,691. With no major campaign projects completed for capitalization during the fiscal year, and several 2016 capital projects approved mid-year but not completed as of year-end, depreciation expenses for the year were 6.80% below budget.

SAINT LOUIS ZOO
ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
COMBINING AND COMBINED STATEMENT OF ACTIVITIES
AND CHANGES IN NET POSITION - CASH FLOW FORMAT (UNAUDITED)
YEAR ENDED DECEMBER 31, 2016

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2016 Combined Actuals	2016 Combined YTD Budget
*** ATTENDANCE ***				3,180,778	3,200,000
Operating revenues:					
Tax revenue	21,672,125	0	0	21,672,125	21,020,123
Allowance for uncollectible taxes expense	63,559	0	0	63,559	0
Sea Lion Shows	446,287	0	0	446,287	606,620
Building rent	253,883	0	0	253,883	236,990
Carousel	723,709	0	0	723,709	647,595
Children's Zoo	814,305	0	0	814,305	840,578
Education	1,655,985	0	0	1,655,985	1,859,902
Retail	5,127,857	0	0	5,127,857	4,446,795
Sales & Catering	214,940	0	0	214,940	119,001
Outside Vendors	259,259	0	0	259,259	218,650
Sponsorship and event revenue	273,800	1,330,058	0	1,603,858	1,372,050
Marlin Perkins Society	0	2,042,368	0	2,042,368	1,800,000
Membership dues	0	4,305,226	0	4,305,226	4,408,717
Misc. Contributions	0	106,038	0	106,038	91,150
Other	689,366	67,046	(12,000)	744,412	443,258
Parent Program	0	350,997	0	350,997	366,000
Parking lot	3,671,778	0	0	3,671,778	3,002,293
Railroad	2,076,483	0	0	2,076,483	2,041,108
Food Service	11,566,520	0	0	11,566,520	10,598,879
4D Theater	209,322	0	0	209,322	209,763
WildCare Institute	219,058	0	0	219,058	77,489
ZOOFARI / A ZOO ADO	0	549,694	0	549,694	500,000
Contributions - Unrestricted	0	1,757,659	0	1,757,659	1,000,000
Dividends and Interest (Zoo)	17,031	0	0	17,031	10,000
Endowment Harvest - Unrestricted	262,193	0	0	262,193	262,193
Endowment Harvest - Restricted	963,500	0	0	963,500	963,500
Endowment Investment Income (Limited by Expense)	0	699,851	0	699,851	560,046
Total operating revenues	51,180,959	11,208,937	(12,000)	62,377,896	57,702,700
Operating expenses:					
Salaries and wages	21,696,775	4,505,372	0	26,202,147	25,776,728
Fringe benefits	7,024,064	524,186	0	7,548,250	7,173,728
Animal food	769,358	0	0	769,358	763,200
Animal medical care	270,212	0	0	270,212	356,768
Animal sales and purchases, net	121,510	0	0	121,510	119,000
Marketing	1,446,711	75,989	0	1,522,700	1,656,860
Merchandise	5,143,271	22,196	0	5,165,467	4,638,391
Other operating expenditures	1,628,752	999,958	(12,000)	2,616,710	2,056,334
Conservation & Research	832,119	0	0	832,119	946,900
Travel	209,484	14,073	0	223,557	259,003
Legal/Audit/Consulting	273,188	757,764	0	1,030,952	561,483
Financial institution charges	13,650	344,083	0	357,733	261,110
Service fees	410,539	23,959	0	434,498	493,805
Donor & member amenities	0	221,971	0	221,971	213,781
Computer & IT maintenance	352,271	56,333	0	408,604	469,258
Postage	32,092	306,625	0	338,717	405,219
Printing and graphics	174,117	457,203	0	631,320	789,552
Property and liability insurance	649,960	36,000	0	685,960	724,452
Repairs and maintenance	1,068,498	0	0	1,068,498	1,050,500
Supplies	1,196,888	770,279	0	1,967,167	2,196,598
Utilities	3,091,935	1,706	0	3,093,641	3,421,977
Major Expense	251,426	0	0	251,426	41,691
Operating Capital Expenses	1,187,966	0	0	1,187,966	2,308,309
Total operating expenses	47,844,786	9,117,698	(12,000)	56,950,484	56,684,649
TOTAL OPERATING CASH FLOW	3,336,173	2,091,239	0	5,427,412	1,018,052
Operating Capital - Prior Year Carryover / Special Appropriations	(1,198,148)	0	0	(1,198,148)	0
Operating Capital - 2016 Special Appropriations	(730,161)	0	0	(730,161)	0
Major Expense - Special Appropriations	(379,142)	0	0	(379,142)	(380,533)
ADJUSTED OPERATING CASH FLOW	1,028,722	2,091,239	0	3,119,961	637,519
Capital Gains	0	406,859	0	406,859	211,200
Dividends and Interest	0	142,077	0	142,077	174,300
Income(loss) before Restricted Activity & Transfers	1,028,722	2,640,174	0	3,668,896	1,023,019

**SAINT LOUIS ZOO
 ZOOLOGICAL SUBDISTRICT OF THE METROPOLITAN ZOOLOGICAL PARK
 AND MUSEUM DISTRICT AND SAINT LOUIS ZOO ASSOCIATION
 COMBINING AND COMBINED STATEMENT OF ACTIVITIES
 AND CHANGES IN NET POSITION - CASH FLOW FORMAT (UNAUDITED)
 YEAR ENDED DECEMBER 31, 2016**

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2016 Combined Actuals	2016 Combined YTD Budget
Restricted Revenue & Expense:					
Endowment Contributions	0	6,136,287	0	6,136,287	1,087,351
Restricted Contributions - Programs/Capital	12,060	856,693	0	868,753	1,000,000
Restricted Contributions - WildCare Institute	0	191,255	0	191,255	0
Donation Expense	(225,764)	0	0	(225,764)	(38,536)
Investment Income	0	3,193,559	0	3,193,559	2,623,954
Total Restricted Revenue & Expense	(213,704)	10,377,794	0	10,164,090	4,672,769
Net Income Before Program Contributions	815,018	13,017,968	0	13,832,986	5,695,787

	Saint Louis Zoo Enterprise Fund	Saint Louis Zoo Association	Eliminating Entries	2016 Combined Actuals	2016 Combined YTD Budget
Program Contributions (Current Year):					
Parent program	348,857	(348,857)	0	0	0
Carousel	36,000	(36,000)	0	0	0
WildCare Institute	197,084	(197,084)	0	0	0
Contributions to permanent endowment	0	0	0	0	0
In-Kind Construction/Capital	20,500	(20,500)	0	0	0
The Living Promise Campaign	6,683,224	(6,683,224)	0	0	0
2016 Carryover Commitment	1,837,494	(1,837,494)	0	0	0
Non-Campaign Initiatives	0	0	0	0	0
Contributions to Zoo Programs	287,892	(287,892)	0	0	0
Shared Services Transfer	(2,450,000)	2,450,000	0	0	0
Endowment Harvest	0	(1,225,693)	0	(1,225,693)	(1,225,693)
Total Program Contributions	6,961,051	(8,186,744)	0	(1,225,693)	(1,225,693)
Changes in Net Position	7,776,069	4,831,224	0	12,607,293	4,470,094

Remove Operating Capital Spending	3,116,275	0	0	3,116,275	2,308,309
Add Depreciation Expense	(10,252,309)	0	0	(10,252,309)	(11,000,000)
Add Loss on Disposal of Assets	(18,502)	0	0	(18,502)	0
Change in Net Position	621,532	4,831,224	0	5,452,757	(4,221,597)

SAINT LOUIS ZOO
FINANCIAL PLAN - FOR THE YEAR OF 2016 (ACTUALS)
ZOO DEPARTMENTAL PROFIT/LOSS BUDGET REPORT (UNAUDITED)

Department	Revenue	Cost Of Sales	Full Time Salaries	Part-Time Salaries	Employee Benefits	Other Operating	Total Operating Expenses	Total ALL Expenses	CY 2016 Actuals	CY 2016 Net Budget	Budget Variance
*** ATTENDANCE ***									3,180,778	3,200,000	(19,222)
Tax Revenue	21,672,125								21,672,125	21,020,123	652,002
Food Service	11,721,906	3,009,340	813,510	2,168,600	459,522	421,077	3,862,709	6,872,049	4,849,857	4,374,451	475,406
Retail	5,128,640	1,823,460	266,299	546,793	127,664	62,823	1,003,580	2,827,040	2,301,601	1,764,092	537,509
Railroad	2,076,483	29,234	180,400	542,600	93,867	128,891	945,759	974,993	1,101,490	1,160,623	(59,133)
Parking Lot	3,671,778	45,497	80,988	179,659	32,764	62,312	355,723	401,220	3,270,558	2,611,253	659,305
Sea Lion Show	533,370	4,262	216,235	75,985	64,412	18,218	374,850	379,112	154,258	270,991	(116,733)
Insectarium	-	-	257,733	61,145	77,156	77,225	473,259	473,259	(473,259)	(485,643)	12,384
Group Tours	214,940	-	45,834	364	13,651	1,995	61,844	61,844	153,096	61,109	91,987
Outside Vendors	259,260	4,225	-	-	171	617	788	5,013	254,247	218,600	35,647
Adventure Pass	0	70,310	-	-	-	(70,310)	(70,310)	-	0	(214)	214
Carousel	723,709	6,511	1,291	87,068	7,829	23,114	119,302	125,813	597,895	507,751	90,144
4D Theater	219,322	3,037	235	61,544	5,285	19,442	86,506	89,543	129,779	112,677	17,103
Education	1,803,734	17,370	885,921	821,953	312,341	783,793	2,804,008	2,821,378	(1,017,644)	(1,032,876)	15,232
Sales & Catering	294,138	73,775	238,019	185,958	83,173	94,334	601,483	675,258	(381,120)	(372,505)	(8,615)
Research	60,219	26,810	275,427	25,229	85,350	93,857	479,864	506,674	(446,455)	(468,383)	21,928
Zoo G & A	199,467	-	1,280,552	-	1,260,927	111,707	2,653,186	2,653,186	(2,453,719)	(1,466,007)	(987,712)
Association Shared Services	-	-	(2,450,000)	-	-	-	(2,450,000)	(2,450,000)	2,450,000	-	2,450,000
Utilities (less Phones)	-	-	-	-	-	2,853,639	2,853,639	2,853,639	(2,853,639)	(3,135,500)	281,860
Human Resources	-	-	694,240	-	269,118	656,526	1,619,885	1,619,885	(1,619,885)	(1,712,661)	92,776
Safety & Risk Management	-	-	53,671	38,326	595,314	688,083	1,375,394	1,375,394	(1,375,394)	(1,484,527)	109,133
MIS	-	-	413,364	33,009	110,847	431,718	988,938	988,938	(988,938)	(1,077,033)	88,095
Audio Visual	52,220	-	58,594	53,717	23,385	40,399	176,095	176,095	(123,875)	(85,666)	(38,209)
Finance	-	-	704,512	117,014	206,858	135,427	1,163,811	1,163,811	(1,163,811)	(1,143,398)	(20,413)
Purchasing	-	-	120,765	-	33,133	5,603	159,500	159,500	(159,500)	(167,090)	7,589
WildCare Institute	206,498	-	52,979	38,419	14,938	1,274,234	1,380,571	1,380,571	(1,174,073)	(1,186,625)	12,552
Conservation Medicine	12,804	-	108,180	23,494	27,867	45,383	204,924	204,924	(192,120)	(173,725)	(18,395)
Animal Division	13,913	-	4,215,710	186,885	1,208,866	1,024,577	6,636,038	6,636,038	(6,622,125)	(6,707,752)	85,627
Children's Zoo	814,303	6,702	576,212	269,809	206,197	75,374	1,127,592	1,134,294	(319,991)	(349,543)	29,551
Facilities Management	-	-	1,945,134	405,922	589,006	612,733	3,552,795	3,552,795	(3,552,795)	(3,838,628)	285,833
Architecture & Planning	18,142	-	238,763	(162)	57,908	38,048	334,558	334,558	(316,416)	(356,391)	39,975
Zone Maintenance	-	-	-	-	-	73,297	73,297	73,297	(73,297)	(73,500)	202
Security	400	-	561,934	475,202	198,724	55,596	1,291,456	1,291,456	(1,291,056)	(1,323,679)	32,623
Veterinary Hospital	-	-	712,049	4,421	193,831	264,925	1,175,227	1,175,227	(1,175,227)	(1,266,557)	91,331
Animal Nutrition	-	-	289,448	-	78,606	829,904	1,197,959	1,197,959	(1,197,959)	(1,170,547)	(27,411)
Distribution Center	16,955	21,318	219,450	303,450	90,520	23,854	637,274	658,592	(641,636)	(629,997)	(11,639)
Breeding Farm	-	-	-	-	-	2,100	2,100	2,100	(2,100)	(4,200)	2,100
South Campus	-	-	-	-	-	24,159	24,159	24,159	(24,159)	(19,500)	(4,659)
Marketing	169,346	-	876,525	29,764	225,359	1,518,450	2,650,098	2,650,098	(2,480,752)	(2,599,922)	119,170
Grounds	-	-	136,530	257,827	62,389	134,789	591,535	591,535	(591,535)	(628,397)	36,862
Housekeeping	-	-	595,750	36,520	207,094	75,924	915,288	915,288	(915,288)	(953,757)	38,470
Total Operations	28,211,547	5,141,851	14,666,254	7,030,516	7,024,073	12,713,838	41,434,681	46,576,532	(18,364,985)	(22,832,675)	4,467,690

**SAINT LOUIS ZOO
FINANCIAL PLAN - FOR THE YEAR OF 2016 (ACTUALS)
ZOO DEPARTMENTAL PROFIT/LOSS BUDGET REPORT (UNAUDITED)**

Department	Revenue	Cost Of Sales	Full Time Salaries	Part-Time Salaries	Employee Benefits	Other Operating	Total Operating Expenses	Total ALL Expenses	CY 2016 Actuals	CY 2016 Net Budget	Budget Variance
Membership	4,305,226	8,427	287,845	165,882	107,086	650,379	1,211,192	1,219,619	3,085,608	3,082,189	3,419
ZOOFARI / A ZOO ADO	559,529	9,830	667	2,213	301	209,597	212,778	222,608	336,921	277,947	58,973
Parents Program	350,997	-	47,147	-	8,869	102,165	158,181	158,181	192,816	156,054	36,762
Association Other Contributions	96,212	-	-	-	-	14,138	14,138	14,138	82,074	57,685	24,389
Association G&A	181,191	-	2,987,780	36,638	160,522	882,713	4,067,652	4,067,652	(3,886,461)	(909,173)	(2,977,289)
Fundraising Events	767,965	2,793	7,461	40,581	4,448	364,721	417,211	420,004	347,961	289,951	58,011
Member Benefits	449,093	10,976	4,990	22,360	2,661	379,875	409,886	420,862	28,231	(164,726)	192,957
Marlin Perkins Society	2,042,858	-	249,377	661	56,458	214,094	520,591	520,591	1,522,267	1,224,227	298,040
Total Support	8,753,071	32,026	3,585,268	268,334	340,345	2,817,682	7,011,629	7,043,654	1,709,417	4,014,155	(2,304,738)
Tax, Ops, and Support Total	58,636,744	5,173,877	18,251,522	7,298,850	7,364,418	15,531,520	48,446,309	53,620,186	5,016,557	2,201,602	2,814,955
Operating Capital	-	-	-	-	-	3,116,275	3,116,275	3,116,275	(3,116,275)	(5,757,242)	2,640,968
Strategic Capital	-	-	-	-	-	6,683,224	6,683,224	6,683,224	(6,683,224)	(9,940,815)	3,257,591
Major Repairs	-	-	-	-	-	630,570	630,570	630,570	(630,570)	(422,224)	(208,346)
Foundation Fundraising	2,815,894	-	548,246	1,914	154,997	626,176	1,331,333	1,331,333	1,484,562	943,970	540,592
Planned Giving	6,324,292	-	101,611	-	28,844	423,988	554,442	554,442	5,769,850	836,405	4,933,445
Total Before Investments	9,140,187	-	649,856	1,914	183,841	11,480,233	12,315,844	12,315,844	(3,175,658)	(14,339,907)	11,164,250
Zoo Investments	17,031	-	-	-	-	-	-	-	17,031	10,000	7,031
Association Investments	580,543	-	-	-	-	40,694	40,694	40,694	539,849	337,250	202,599
Endowment Investments	3,671,698	-	-	-	-	145,409	145,409	145,409	3,526,289	2,871,400	654,889
Investment Income	4,269,272	-	-	-	-	186,102	186,102	186,102	4,083,170	3,218,650	864,520
Contributions - Carousel	36,000	-	-	-	-	36,000	36,000	36,000	-	-	-
Contributions - WCI	197,084	-	-	-	-	197,084	197,084	197,084	-	-	-
Contributions - Capital	8,541,218	-	-	-	-	8,541,218	8,541,218	8,541,218	-	-	-
Contributions - Zoo Parents	348,857	-	-	-	-	348,857	348,857	348,857	-	-	-
Contributions - Other Programs	287,892	-	-	-	-	287,892	287,892	287,892	-	-	-
Contributions - Association Overhead	2,450,000	-	-	-	-	2,450,000	2,450,000	2,450,000	-	-	-
Contributions - Endowment Harvest	1,225,693	-	-	-	-	1,225,693	1,225,693	1,225,693	-	-	-
Foundation Management Fees	12,000	-	-	-	-	12,000	12,000	12,000	-	-	-
Routine Eliminations	(684,749)	-	-	-	-	(684,749)	(684,749)	(684,749)	-	-	-
Endowment Eliminations	(1,225,693)	-	-	-	-	(1,225,693)	(1,225,693)	(1,225,693)	-	-	-
Wildcare Eliminations	(197,084)	-	-	-	-	(197,084)	(197,084)	(197,084)	-	-	-
Capital Eliminations	(8,541,218)	-	-	-	-	(8,541,218)	(8,541,218)	(8,541,218)	-	-	-
Grand Total	74,496,202	5,173,877	18,901,378	7,300,764	7,548,259	29,647,855	63,398,256	68,572,133	5,924,070	(8,919,655)	14,843,724
Remove Capital Spending						(9,799,499)	(9,799,499)	(9,799,499)	9,799,499	15,698,057	(5,898,559)
Add Depreciation Expense						10,252,309	10,252,309	10,252,309	(10,252,309)	(11,000,000)	747,691
Add Loss on Disposal of Assets						18,502	18,502	18,502	(18,502)	-	(18,502)
Change in Net Position									5,452,757	(4,221,597)	9,674,354

**SAINT LOUIS ZOOLOGICAL SUBDISTRICT
SCHEDULE OF CAPITAL EXPENDITURES (UNAUDITED)
YEAR ENDED DECEMBER 31, 2016**

		1/1/2016	YEAR TO DATE	Closed	12/31/2016
		BALANCE	2016 ACTIVITY	Fixed Assets	Ending Balance
Strategic Capital:					
30100-7100-01	(CC: CM) CAPITAL PROJECT MANAGERS	4,443,163.20	261,212.31	0.00	4,704,375.51
30101-7100-01	(CC: PD) PROJECT DESIGN	71,565.93	0.00	0.00	71,565.93
30102-7100-01	(CC: DP) DONOR PLAQUES	5,258.89	1,411.19	0.00	6,670.08
30120-7103-01	(CC: 19G) GRIZZLY RIDGE DESIGN	1,228,219.55	412,450.95	0.00	1,640,670.50
30121-7103-01	(CC) GRIZZLY RIDGE CONSTRUCTION	0.00	6,008,149.53	0.00	6,008,149.53
Total Strategic Capital		5,748,207.57	6,683,223.98	0.00	12,431,431.55
Operating Capital:					
30288-3002-01	2013 ANTELOPE DRAINAGE IMPROVEMENTS	149,394.28	0.00	149,394.28	0.00
30320-3003-01	2015 GIS MAPPING	0.00	6,950.00	0.00	6,950.00
30322-3003-01	2015 Primate House Boiler	0.00	39,520.00	39,520.00	0.00
30323-3003-01	2015 TLW HVAC CONSTRUCTION	0.00	565.22	0.00	565.22
30335-3003-01	2016 FM LAKESIDE FIRE SUPPRESSION	0.00	49,388.48	49,388.48	0.00
30338-3003-01	2016 RAILROAD TUNNEL LIGHTING	0.00	9,584.30	9,584.30	0.00
30341-3003-01	2016 SIEMENS NAVIGATOR SOFTWARE	0.00	20,134.00	20,134.00	0.00
30343-3003-01	2016 ASPHALT REPLACEMENT 2	0.00	8,257.77	0.00	8,257.77
30345-3003-01	2016 WATER METER INSTALLATION 2	0.00	35,193.32	0.00	35,193.32
30348-3003-01	2016 CASH ROOM/SECURITY ROOF	0.00	65,265.60	65,265.60	0.00
30349-3003-01	2016 SITEWORK ROOF	0.00	10,535.75	10,535.75	0.00
30350-3003-01	2016 FM SCOOTER	0.00	6,540.80	6,540.80	0.00
30351-3003-01	2016 BIG CAT MESH IMPROVEMENTS	0.00	43,991.82	0.00	43,991.82
30352-3003-01	2016 KUBOTA RIDING MOWER	0.00	6,099.00	6,099.00	0.00
30353-3003-01	2013 WATER METER INSTALLATION	3,720.98	24,848.11	0.00	28,569.09
30354-3003-01	2016 CYPRESS SWAMP LED LIGHTS	0.00	5,911.31	5,911.31	0.00
30355-3003-01	2016 RIVERCAMP LED LIGHTS	0.00	13,769.19	13,769.19	0.00
30356-3003-01	2016 RAILROAD OFFICE LIGHTS	0.00	16,963.80	16,963.80	0.00
30362-3003-01	2016 RED ROCKS BARRIER CONSTRUCTION	0.00	4,999.00	0.00	4,999.00
30363-3003-01	2016 RIVERCAMP BOILER RETUBING	0.00	15,836.00	15,836.00	0.00
30364-3003-01	2016 SERPENTINE WALL REBUILD	0.00	23,345.00	23,345.00	0.00
30365-3003-01	2016 IN KIND SOUTH ENTRY BOOTH ROOF REPLACI	0.00	13,000.00	13,000.00	0.00
30382-3003-01	2015 ENERGY MANAGEMENT SYSTEM UPGRADES	2,713.95	4,330.03	0.00	7,043.98
30384-3003-01	2015 SEA LION ARENA BOILER REPLACEMENT	0.00	1,580.46	0.00	1,580.46
30385-3003-01	2015 TLW HVAC STUDY	4,330.00	19,895.85	0.00	24,225.85
30386-3003-01	2015 TLW PLUMBING IMPROVEMENT DESIGN	14,560.00	13,494.67	0.00	28,054.67
30389-3003-01	2015 TLW PLUMBING CONSTRUCTION	0.00	57,275.72	0.00	57,275.72
30393-3003-01	2013 ENERGY MANAGEMENT PANELS	569.98	5,179.40	5,749.38	0.00
30403-3004-01	2015 NEXUS SWITCH PURCHASE	56,376.23	9,906.00	66,282.23	0.00
30406-3004-01	2016 DEVELOPMENT BENCHES	0.00	17,784.00	0.00	17,784.00
30411-3004-01	2015 NETWORK VIDEO RECORDER	0.00	4,620.00	0.00	4,620.00
30412-3004-01	2016 AED'S & CABINETS	0.00	9,627.50	9,627.50	0.00
30417-3004-01	2016 DEVELOPMENT DONOR PLAQUES	0.00	18,650.91	18,650.91	0.00
30418-3004-01	2014 UNIFIED POS PHASE 2 - TICKETING	0.00	(13.95)	0.00	(13.95)
30426-3004-01	2016 HR COPIER REPLACEMENT	0.00	7,883.30	7,883.30	0.00
30427-3004-01	2016 STORAGE AREA NETWORK EQUIPMENT	0.00	276,200.42	0.00	276,200.42
30428-3004-01	2016 PUBLIC WIFI ACCESS	0.00	21,050.24	0.00	21,050.24
30429-3004-01	2016 COLOR PRODUCTION PRINTER	0.00	28,732.00	28,732.00	0.00
30461-3004-01	2013 GATE EMERGENCY NOTIFICATION SYSTEM	34,616.75	34,373.99	0.00	68,990.74
30472-3004-01	2015 WIRELESS NETWORKING	143,478.18	9,230.14	0.00	152,708.32
30552-3005-01	2014 CAROUSEL CAFE IMPROVEMENTS	45,558.36	11,152.17	0.00	56,710.53
30576-3005-01	2014 KETTLE CORN REBUILD	66,373.04	325,158.73	391,531.77	0.00
30581-3005-01	2016 FOOD SERVICE EQUIPMENT CONTINGENCY	0.00	97,570.12	0.00	97,570.12
30582-3005-01	2016 BARCODE SCANNERS	0.00	13,864.59	13,864.59	0.00
30601-3006-01	2016 BABW REDESIGN/REBUILD	0.00	604.96	0.00	604.96
30619-3006-01	2016 RETAIL CAPITAL PROJECTS	0.00	25,469.30	25,469.30	0.00
30806-3008-01	2016 SEA LION BA FANS	0.00	17,020.00	17,020.00	0.00
30914-3009-01	2015 FOUR PTZ CAMERAS	0.00	13,181.95	0.00	13,181.95
30916-3009-01	2016 PA SYSTEM	0.00	1,117.79	0.00	1,117.79
30917-3009-01	2016 SECURITY RADIO REPEATER	0.00	6,000.00	6,000.00	0.00
30918-3009-01	2016 RANGER BASE GENERATOR	0.00	17,351.65	17,351.65	0.00
31029-3010-01	2015 VET HOSPITAL FIRE SUPPRESSION SYSTEM	80,340.64	262,904.00	343,244.64	0.00
31032-3010-01	2015 GENE BANK IMPROVEMENTS	0.00	34,704.43	34,704.43	0.00
31033-3010-01	2015 Endoscopy Equipment	0.00	(8,149.18)	0.00	(8,149.18)
31034-3010-01	2016 HOSPITAL CHAIR REPLACEMENT	0.00	5,946.04	5,946.04	0.00
31036-3010-01	2016 VET HOSPITAL COPIER	0.00	6,404.00	6,404.00	0.00
31037-3010-01	2016 ICM VEHICLE	0.00	15,350.00	15,350.00	0.00
31038-3010-01	2016 LARGE ANIMAL ENDOSCOPE	0.00	37,416.52	37,416.52	0.00
31039-3010-01	2016 PHASE CONTRAST MICROSCOPE	0.00	5,586.00	5,586.00	0.00
31164-3011-01	2015 EDUCATION TENT REPLACEMENT	6,548.00	0.00	6,548.00	0.00
31165-3011-01	2016 EDU TENT EXPANSION	0.00	23,980.77	0.00	23,980.77
31166-3011-01	2016 EDU HOBART DISHWASHER	0.00	5,610.40	5,610.40	0.00
31168-3011-01	2016 EDU VEHICLE	0.00	25,711.00	25,711.00	0.00
31220-3012-01	2015 FORKLIFT	0.00	(3,900.00)	0.00	(3,900.00)

**SAINT LOUIS ZOOLOGICAL SUBDISTRICT
SCHEDULE OF CAPITAL EXPENDITURES (UNAUDITED)
YEAR ENDED DECEMBER 31, 2016**

	1/1/2016 BALANCE	YEAR TO DATE 2016 ACTIVITY	Closed Fixed Assets	12/31/2016 Ending Balance	
31223-3012-01	2016 DISTRIBUTION VEHICLES	0.00	37,080.00	37,080.00	0.00
31224-3012-01	2016 DISTRIBUTION FREEZER	0.00	78.00	0.00	78.00
31416-3014-01	2015 POS EQUIP FOR FACE PAINTING AND CARICAT	0.00	26,209.10	26,209.10	0.00
31417-3014-01	2016 ZOOLINE RAILROAD IMPROVEMENTS	0.00	15,148.04	15,148.04	0.00
31418-3014-01	2016 SHUTTLE SHELTER	0.00	6,290.00	6,290.00	0.00
31419-3014-01	2016 RAILROAD CARRYALL	0.00	11,386.40	11,386.40	0.00
31420-3014-01	2016 IN KIND EMPLOYEE SHUTTLE	0.00	7,500.00	0.00	7,500.00
31514-3015-01	2016 GROUNDS CARRYALL 1	0.00	14,229.95	14,229.95	0.00
31515-3015-01	2016 GROUNDS CARRYALL 2	0.00	11,380.15	11,380.15	0.00
31906-3019-01	2015 4D THEATER EXPANSION CONST	181,344.63	9,873.07	191,217.70	0.00
32070-3002-01	2014 GIRAFFE TAMER PANELS AND ROOF	22,740.49	70,405.70	93,146.19	0.00
32071-3002-01	2014 AARDVARK/T-DEVIL EXHIBIT DESIGN	37,341.51	(3,689.95)	0.00	33,651.56
32072-3002-01	2014 AARDVARK/T-DEVIL EXHIBIT CONSTRUCTION	346,380.08	156,009.44	502,389.52	0.00
32088-3002-01	2015 KEEPER SAFETY IN RIVERS EDGE PLANTERS	76,482.01	364.54	76,846.55	0.00
32091-3002-01	2015 CZ TUNNEL SURVEY	0.00	2,321.64	0.00	2,321.64
32094-3002-01	2015 ELEPHANT MESH PANELS	27,651.77	17,668.23	45,320.00	0.00
32095-3002-01	2015 EMF PAINTING	76,000.00	9,000.00	85,000.00	0.00
32096-3002-01	2015 LAKE COVE EROSION CONTROL	7,200.41	2,997.10	10,197.51	0.00
32097-3002-01	2015 COVE FENCE REPLACEMENT	0.00	17,037.18	17,037.18	0.00
32100-3002-01	2015 CHIMP KEEPER FALL PROTECTION	864.00	18,544.27	19,408.27	0.00
32101-3002-01	2016 Animal Scissor Lift	0.00	5,899.49	5,899.49	0.00
32102-3002-01	2016 BIRD NURSERY RE-PURPOSE	0.00	8,584.16	8,584.16	0.00
32103-3002-01	2016 BIRD INCUBATORS AND GENERATORS	0.00	7,591.91	7,591.91	0.00
32104-3002-01	2016 BIRD GARDEN CRANE BARN	0.00	14,282.28	14,282.28	0.00
32105-3002-01	2016 BIRD HOUSE INTERPRETATION ELEMENTS	0.00	10,580.87	10,580.87	0.00
32106-3002-01	2016 PHASE II EMF MESH	0.00	40,263.32	40,263.32	0.00
32107-3002-01	2016 PHASE II EMF PAINTING	0.00	59,482.45	59,482.45	0.00
32108-3002-01	2016 TAKIN BARN A/C	0.00	14,311.31	14,311.31	0.00
32110-3002-01	2016 CHIMP DAYROOM GLASS PANEL	0.00	28,772.00	28,772.00	0.00
32111-3002-01	2016 BCC NETTING SURVEY	0.00	4,600.00	0.00	4,600.00
32112-3002-01	2016 ANC WINDOW STRIPES	0.00	8,575.00	8,575.00	0.00
32114-3002-01	2016 EMF BOILER REPLACEMENT	0.00	16,850.27	16,850.27	0.00
32115-3002-01	2016 RCK LSS UPGRADE	0.00	6,052.20	6,052.20	0.00
32116-3002-01	2016 ORANG ACRYLIC PANELS	0.00	199,503.48	199,503.48	0.00
32117-3002-01	2016 BIRD GARDEN WIRE REPLACEMENT	0.00	774.05	0.00	774.05
32118-3002-01	2016 MO AQUARIUM ACRYLIC	0.00	2,035.15	0.00	2,035.15
32119-3002-01	2016 CZ TURTLE SCULPTURES	0.00	25,000.00	25,000.00	0.00
32120-3002-01	2016 GRIZZLY TRANSPORT CAGE	0.00	30,005.00	30,005.00	0.00
32121-3002-01	2016 BRONZE PENGUIN & PUFFIN MODELS	0.00	13,410.00	13,410.00	0.00
32122-3002-01	2016 LAKE IMPROVEMENT DESIGN	0.00	26,977.52	0.00	26,977.52
32123-3002-01	2016 ANIMAL DIVISION CART	0.00	7,330.00	7,330.00	0.00
32124-3002-01	2016 ANTELOPE VIDEO CAMERAS	0.00	14,729.27	14,729.27	0.00
32125-3002-01	2016 ANTELOPE HOUSE ELECTRICAL DESIGN	0.00	16,205.64	0.00	16,205.64
32126-3002-01	2016 RE ATV & MOTORIZED WHEELBARROW	0.00	7,999.00	7,999.00	0.00
32127-3002-01	2017 RED ROCKS SHADE STRUCTURES	0.00	5,928.16	0.00	5,928.16
32128-3002-01	2016 GIRAFFE HABITAT EXTENSION	0.00	10,546.65	10,546.65	0.00
32130-3002-01	2016 ORANG SAFETY AND EROSION	0.00	10,436.48	10,436.48	0.00
32131-3002-01	2016 ELEPHANT WOODS ENTRY	0.00	46,262.36	0.00	46,262.36
32133-3002-01	2016 JOTA TRAINING PANELS	0.00	8,169.57	0.00	8,169.57
32134-3002-01	2016 PRIMATE HOUSE EXHIBIT MODIFICATION	0.00	1,978.01	0.00	1,978.01
32136-3002-01	2016 OANC DOCK LEVELERS	0.00	6,470.00	6,470.00	0.00
32138-3002-01	2016 OANC/HOSPITAL GENERATOR	0.00	7,200.00	0.00	7,200.00
32139-3002-01	2016 SLS VIDEO CAMERAS	0.00	16,531.01	16,531.01	0.00
32141-3002-01	2016 AMPHIBIAN POD DESIGN	0.00	3,127.50	0.00	3,127.50
32143-3002-01	2016 CZ T-DEVIL WIFI	0.00	4,995.00	0.00	4,995.00
32144-3002-01	2016 INSECTARIUM ROOF DESIGN	0.00	8,816.00	0.00	8,816.00
32145-3002-01	2016 JOTA EPOXY FLOOR RECOATING	0.00	1,871.35	0.00	1,871.35
32146-3002-01	2016 SCUBA COMPRESSOR UPGRADE	0.00	0.00	20,850.00	(20,850.00)
32147-3002-01	2016 JOTA BOOSTER PUMPS	0.00	6,669.98	0.00	6,669.98
32148-3002-01	2016 CZ CAGES	0.00	20,699.99	0.00	20,699.99
32149-3002-01	2016 SLS & RE SEALANT UPGRADE	0.00	20,850.00	0.00	20,850.00
32932-3029-01	2016 BARRIER DESIGN	0.00	18,497.20	0.00	18,497.20
32933-3029-01	2016 CHIMP BARRIER DESIGN	0.00	4,012.40	0.00	4,012.40
32934-3029-01	2016 ADDITIONAL WATER METER FUNDS	0.00	8,011.51	0.00	8,011.51
32935-3029-01	2016 SOUTH CAMPUS LANDSCAPING ADDITIONS	0.00	5,000.00	0.00	5,000.00
Total Operating Capital:		1,384,585.29	3,116,274.79	3,286,313.88	1,214,546.20
Total Strategic Capital		5,748,207.57	6,683,223.98	0.00	12,431,431.55
Total Operating Capital		1,384,585.29	3,116,274.79	3,286,313.88	1,214,546.20
Total Capital Expenditures		7,132,792.86	9,799,498.77	3,286,313.88	13,645,977.75