

*Zoo Authority Report*  
2016-2017



**NOURISHING OUR ENVIRONMENT EVERY DAY**

*What do the animals eat daily at the zoo?*



# HEALTHY ANIMAL DIETS PROMOTE



IMMUNE SUPPORT



MODULATION OF CELL GROWTH



TEETH DEVELOPMENT



BONE AND TISSUE HEALTH



HEART HEALTH



DETOXIFICATION



LONGEVITY

## Zoo Authority Report 2016-2017

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Per day, our Giraffes eat:

44 qts Wild Herbivore Pellets

28 lbs Orchard Hay

28 lbs Bermuda Hay



**MICHELLE ROMAN**  
*Chairman*

**PAUL A. TOSTE, DVM**  
*Vice Chairman*

**PETER HERZOG**  
*Board Member*

**GERALD V. LYLES**  
*Board Member*

**KENT L. STRATFORD**  
*Board Member*

**RALPH WATERHOUSE**  
*Board Member*

**LEE BRAND**  
*Board Member*

**OLIVER BAINES**  
*Board Member*



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## News from The Zoo Authority

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

Dear Supervisors,

On behalf of the members of the Fresno County Zoo Authority Board, I am pleased to present our Annual Report for fiscal year 2016-17 that concluded on June 30.

During 2016, Fresno Chaffee Zoo welcomed a record 964,091 visitors. A significant contribution to this record attendance came from the African Adventure exhibit, funded by Measure Z. During the 12 month period from the grand opening of the African Adventure exhibit in October 2015 through September 2016, Fresno Chaffee Zoo welcomed 1,020,700 visitors!

The Authority Board is happy to announce that further construction is under way or planned for new and expanded Measure Z funded projects at Fresno Chaffee Zoo. Coming in 2018 visitors can look forward to Wilderness Falls, a Sierra Nevada river-themed water play area and expansion of the popular Dino Dig. Behind the scenes, the Zoo will benefit from a new nutrition center for efficient animal food preparation and storage, as well as a building for the Zoomobile's education animals. Currently in design are orangutan improvements and attractions including warthog, hippo, crocodile, Malayan tiger and sloth bear exhibits.

For the fiscal year concluded on June 30, 2016, total Measure Z proceeds received were \$13,347,631 and there was a total balance of \$31,782,697 available to Fresno Chaffee Zoo for future projects or maintenance and operations. Reimbursements for expenses funded by Measure Z totaled \$4,547,665, including \$4,443,979 for maintenance and operations, and \$103,686 for capital projects, primarily for behind the scenes improvements and the design of future exhibits.

### Per day - our Sloth Bears eat:

.56 lbs Fruit + .16 lbs Citrus + .57 lbs Root Vegetables + .65 lbs Veggies  
.65 lbs Protein + 2.4 lbs Omnivore Chow + 2.84 lbs Primate Chow





## News from The Zoo Authority

The one-tenth of one percent sales tax proceeds for Measure Z are received into three Fresno County managed funds: one third for maintenance and operations, two thirds for capital projects, and two percent for Authority administrative costs. Total proceeds from tax received since inception in April 2005 through June 30, 2017 were \$139,007,320. To date, Fresno Chaffee Zoo has been reimbursed \$40,421,920 for maintenance and operations, and \$70,295,767 for various capital projects.



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

Both the Zoo Authority Board and the Fresno's Chaffee Zoo Corporation Board are very mindful of our responsibility for Measure Z funds. Reporting on the use of these funds for oversight purposes is provided by this audit and the Fresno County Treasury staff, as well as Zoo Corporation staff and an independent external audit performed by the Zoo Corporation's auditor and reported to the Authority Board on a calendar year basis.

In closing, I would like to express our appreciation for the contribution of former Fresno Mayor Ashley Swearengin and welcome Mayor Lee Brand to the Authority Board. The collaborative efforts of the City of Fresno, Zoo Corporation, and the Authority are appreciated as all parties continue to guide future development of Fresno Chaffee Zoo.



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



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

Respectfully,

*Michelle Roman*

Michelle Roman  
2017 Board Chairman  
Fresno County Zoo Authority



Per day, the Stingrays in our community tank eat:  
5 lbs Squid  
4 lbs Shrimp  
5 lbs Lake Smelt



# Acknowledgements

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

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

## ADMINISTRATIVE OFFICE

**JOHN HAYS** / Principal Administrative Analyst

## AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

**LIZ MANOURIAN** / Accounting and Financial Manager

## COUNTY COUNSEL

**JOAN CUADROS** / Executive Assistant

## FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**DONALD KENDIG** / Retirement Administrator

**ELIZABETH AVÁLOS** / Administrative Secretary

**KAT KRISUKWATANA** / Systems Procedures Analyst III

**KIM ZEPEDA** / Systems Procedures Analyst I

## INTERNAL SERVICES DEPARTMENT, GRAPHIC COMMUNICATION SERVICES

**GINA HILL** / Graphic Arts Specialist II

## INTERNAL SERVICES DEPARTMENT, INFORMATION TECHNOLOGY DIVISION

**DANIEL MOORE** / Information Technology Manager

**KAMIKA PUENTES** / Information Technology Analyst II

## PUBLIC WORKS AND PLANNING

**CAROL PRATT** / Principal Accountant

**KAYING YANG** / Supervising Accountant

**SHERRI GRAHAM** / Program Technician I

**KEVIN OLIVAS** / Office Assistant III

**JASON YANG** / Information Technology Analyst III



**ANNUAL FEEDING SCHEDULE**

3.5 lbs Wild Herbivore

1.98 lbs Greens

1.3 lbs Fruit



ANNUAL REPORT DESIGNED BY:  
GINA HILL / Graphic Arts Specialist II  
The County of Fresno, Internal Services  
Graphic Communication Services Division





Per day, our African Lions eat:  
25 lbs Meat  
Along with 6 Bones Per Week

## Board and Staff

### ZOO AUTHORITY BOARD 2016-17

#### PAUL A. TOSTE, DVM

*Nominated by: District 1 Supervisor, Brian Pacheco*

#### GERALD V. LYLES

*Nominated by: District 2 Supervisor, Andreas Borgeas*

#### KENT L. STRATFORD

*Nominated by: District 3 Supervisor, Sal Quintero*

#### MICHELLE ROMAN

*Nominated by: District 4 Supervisor, Buddy Mendes*

#### PETER HERZOG

*Nominated by: District 5 Supervisor, Nathan Magsig*

#### RALPH WATERHOUSE

*Nominated by: Board of Supervisors Chairman, Brian Pacheco*

#### LEE BRAND

*Ex Officio - Mayor of Fresno*

#### OLIVER BAINES

*Mayor's Appointment, District 3 Councilmember*

Position / Term Expiration

Original Appointment

Vice Chairman  
Term Expiration: 1/7/2019

2/8/2005

Board Member  
Term Expiration: 1/9/2021

3/8/2005

Board Member  
Term Expiration: 1/9/2021

2/8/2005

Chairman  
Term Expiration: 1/7/2019

7/14/2015

Board Member  
Term Expiration: 1/4/2021

9/10/2013

Board Member  
Term Expiration: 1/3/2018

1/10/2006

Board Member  
Upon oath of office  
1/5/2017

Mayor's Alternate  
1/28/2011

### ZOO AUTHORITY STAFF 2016-17

Staff Member

Zoo Authority Title

County Department

County Title

#### JEAN ROUSSEAU

Administrator  
County Administrative Office

County Administrative Officer

#### CATHERINE CROSBY

Coordinator  
Public Works and Planning

Staff Analyst III

#### JANE T. SMITH

Counsel  
County Counsel

Deputy County Counsel

#### MEGAN MARKS

*From July 2016*

Treasurer  
Auditor-Controller/  
Treasurer-Tax Collector

Senior Accountant

#### Valerie Dirlam

*Through November 2016*

Accountant  
Auditor-Controller/  
Treasurer-Tax Collector

Accountant I

#### Apao Xiong

*From December 2016*

Accountant  
Auditor-Controller/  
Treasurer-Tax Collector

Accountant I





# 2016-17 Milestones & Highlights

## MEASURE Z & FUNDING RESULTS

### 2003

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

### 2004

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

### 2006

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

### 2007

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

### 2008

- Master planning and pre-design engineering in progress.

### 2009

- Preparation of Environmental Impact Report and tree survey.

### 2010

- Reptile house improvements in progress.
- Stingray Bay becomes a permanent exhibit.
- Dino Dig opens.

### 2011

- Fresno Planning Commission certifies Roeding.
- Park Master Plan Environmental Impact Report.
- September ground-breaking for Sea Lion Cove.

### 2012

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

### 2013

- River Otters move into renovated former home of Sea Lions.
- King Cobra, Komodo dragon and renovated Reptile House exhibits open.

### 2014

- In January four healthy Malayan tiger cubs are born, and construction begins on African Adventure.
- 75% of construction firms are local.
- Tiger cubs bring more than 100,000 Zoo visitors in April.
- 72% of voters approved Measure Z for another 10 years.
- Funding approved for design of tiger exhibit expansion.
- Annual admissions surpass 700,000; an increase of 70% in 5 years.

### 2015

- Funding approved to acquire and transport animals for African Adventure and to complete utilities upgrades.
- The October 15 Grand Opening of African Adventure increases attendance by 95% over October 2014.
- Utilities upgrades completed.
- Funding approved for animal acquisition, expansion of Dino Dig, and design of African River.
- Re-designed Zoo Authority.org website debuts.

### 2016

- Between October 2015 and September 2016, the Zoo received 1,020,700 visitors.
- Lion cub "Kijani" born October 11th.
- Funding approved for design of Warthog exhibit.
- Zoo staff includes 142 full-time and 87 part-time employees.
- A record 964,091 guests visited the Zoo in 2016.

### 2017

- Rare Southern White Rhino "Rudo" born January 24.
- Funding approved and projects completed for Storm drain extension and lines for new Water Play Area.
- Funding approved for schematic design African River, design of Orangutan improvements, Animal Nutrition Center, Education Animals building and construction of Water Play Area.
- Measure Z tax received in Fiscal Year 2016-17: \$13,347,631.
- As of June 30, 2017, \$31,782,697 was available to Fresno Chaffee Zoo for operations and future projects.
- Measure Z taxes from inception in April 2005 to date: \$139,007,320.

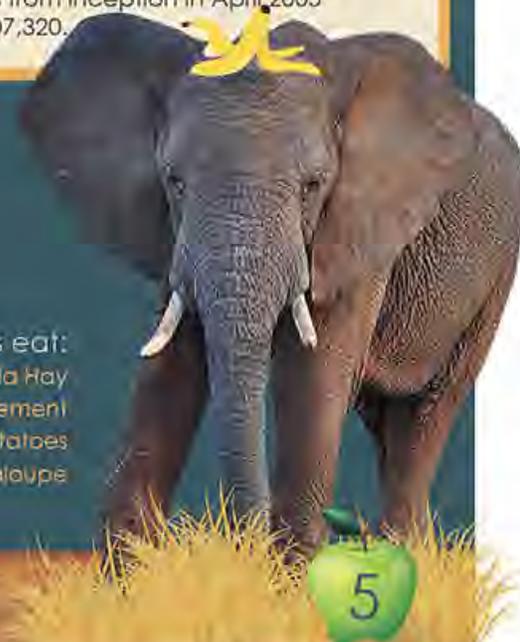
Per day, our African Elephants eat:

105 lbs Forage Hay • 55 lbs Bermuda Hay

17 qts Mazuri Grain Free Hay Enhancer Supplement

0.85 Boxes of Apples • 0.85 Boxes of Bananas • 0.71 Boxes of Sweet Potatoes

28.15 lbs Carrots • 1/2 Watermelon • 1.5 Cantaloupe



## UNAUDITED EXHIBITS

### *From the Treasurer*

#### EXHIBIT A

Fresno County Zoo Authority Cash Balance

#### EXHIBIT B

Cash Disbursement by Category to Fresno's Chaffee Zoo Corporation during Fiscal Year 2016-17

#### EXHIBIT C

Cash Disbursements by Fund to Fresno's Chaffee Zoo Corporation during Fiscal Year 2016-17

#### EXHIBIT D

Fresno County Zoo Authority Measure Z Sales Tax Proceeds Budget (Cash Basis) for Fiscal Year Ended June 30, 2017

#### EXHIBIT E

Fresno County Zoo Authority Measure Z Sales Tax Proceeds (Cash Basis) by Fiscal Year From Inception to June 30, 2017

Per day, our Orangutans eat:

28 lbs Fruit

26 lbs Citrus

30 lbs Root Vegetables

5.25 lbs Vegetables

1.96 lbs Leaf Ester Biscuits

1.26 lbs Primate Chow

10 Heads of Lettuce



UNAUDITED EXHIBITS  
*From the Treasurer*

Per day, our Flamingos eat:  
13 lb Mazuri Pellets  
1.25 lbs Lake Smelt



A, B, and C

EXHIBIT A: Fresno County Zoo Authority Cash Balance

AS OF JUNE 30, 2017

EXHIBIT A

|   |                   |                             |
|---|-------------------|-----------------------------|
| Cash Available for Administration (2%)<br>Fresno County Zoo Authority |                   | \$ 1,376,340                |
| Cash Available for Zoological Activities (98%)                        |                   |                             |
| Operations  | 6,001,526         |                             |
| Capital Projects  | <u>25,781,171</u> |                             |
| Total Cash Available for Zoological Activities                        |                   | <u>31,782,697</u>           |
| <b>Total Cash Balance as of June 30, 2017</b>                         |                   | <b>\$ <u>33,159,037</u></b> |

EXHIBIT B: Cash Disbursements By Category To FCZC During Fiscal Year 2016-17

FOR OPERATIONS

EXHIBIT B

|  |                  |
|--|------------------|
| Salaries & Benefits  | \$ 3,497,081     |
| Animal Feed  | 375,211          |
| Utilities  | 571,567          |
| Bank Charges   | <u>120</u>       |
| <b>Total Operations Disbursed to FCZC During Fiscal Year 2016-17</b> | <b>4,443,979</b> |

FOR CAPITAL PROJECTS

|  |                            |
|--|----------------------------|
| Project Capital Improvements   | \$ 130,676                 |
| Bank Charges   | <u>10</u>                  |
| <b>Total Capital Projects Disbursed to FCZC During Fiscal Year 2016-17</b> | <b>130,686</b>             |
| <b>Total FCZC Disbursements</b>  | <b>\$ <u>4,574,665</u></b> |



EXHIBIT C: Fiscal Year Cash Disbursements by Fund to Fresno Chaffee Zoo Corporation

FROM INCEPTION TO JUNE 30, 2017

EXHIBIT C

|                            |                     |                     |
|----------------------------|---------------------|---------------------|
| Operations                 | \$ 4,443,979        | \$ 4,443,979        |
| Capital Projects           | 130,686             | 130,686             |
| <b>Total Disbursements</b> | <b>\$ 4,574,665</b> | <b>\$ 4,574,665</b> |

Note: No disbursements were made through FCZC.

|                  |                     |
|------------------|---------------------|
| <b>TOTAL</b>     |                     |
| Operations       | \$ 4,443,979        |
| Capital Projects | 130,686             |
|                  | <u>\$ 4,574,665</u> |



# UNAUDITED EXHIBITS From the Treasurer

Per day, our Rhinos eat:  
35 lbs Mazuri Browser Rhino Diet  
60 lbs Bermuda Hay

## D and E

### EXHIBIT D

Fresno County Zoo Authority Measure Z Sales Tax Proceeds (Cash Basis) by Fiscal Year from Inception to June 30, 2017

2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17

ACTUAL 932,000 1,269,300 1,181,071 941,400 1,255,200 1,188,004 955,400 1,073,900 1,114,146 853,500 1,140,700 1,229,710 13,347,631

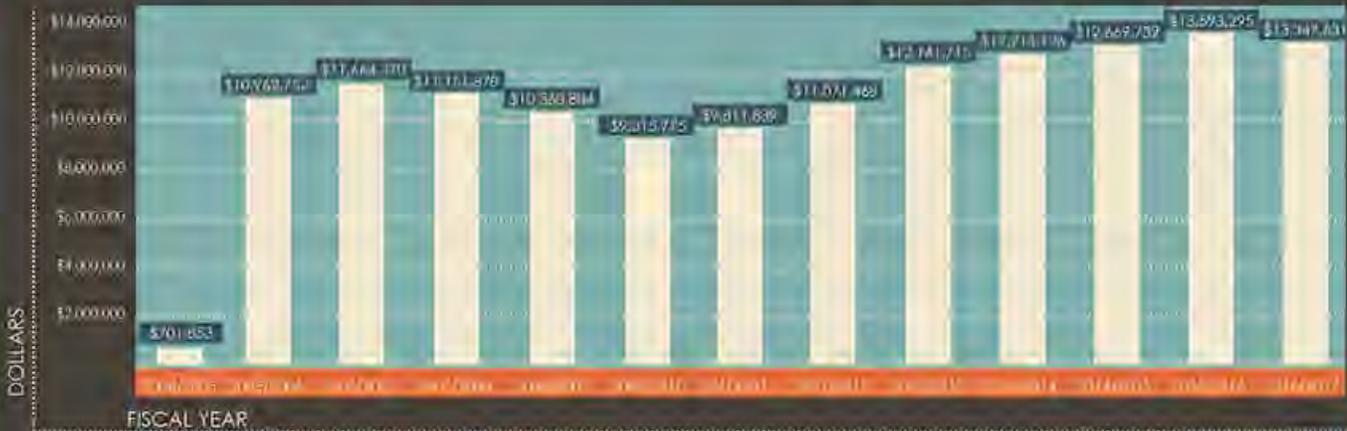
BUDGET 941,400 1,269,300 1,181,071 941,400 1,255,200 1,188,004 955,400 1,073,900 1,114,146 853,500 1,140,700 1,229,710 13,572,695



### EXHIBIT E

Fresno County Zoo Authority Measure Z Sales Tax Proceeds (Cash Basis) by Fiscal Year from Inception to June 30, 2017

Total Measure Z Proceeds (Cash Basis) from Inception to 6/30/17 = \$139,007,318



\*Note: Fiscal year 2004-2005 was the first year of the Measure Z tax resulting in partial year proceeds.





## AUDITED FINANCIAL STATEMENTS

The Zoo Authority's financial statements for fiscal year ended June 30, 2017 were audited by Brown Armstrong, Certified Public Accountants, which is an independent accounting firm. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These audited financial statements, as well as the independent auditor's report are presented in Appendix A. The notes to the financial statements should be read in conjunction with the statements as they are an integral part of the statements and provide disclosures required by generally accepted accounting principles (GAAP).

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

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

As further discussed on page 17 of the financial statements, the Authority adopted an operating budget for fiscal year ended June 30, 2017. The variation between estimated and actual revenue and expenditures is presented in the Budgetary Comparison Schedule on page 25.

## DISBURSEMENTS TO FRESNO'S CHAFFEE ZOO CORPORATION

During fiscal year 2017, a total of \$4,538,067 was disbursed to the Fresno's Chaffee Zoo Corporation; \$4,407,392 for operations and \$130,675 for capital projects. The Statement of Fiduciary Net Position on page 13 presents cash balances available for operations and capital projects to be used for Zoological purposes as of June 30, 2017. This statement also presents funds held in trust for operations and capital projects based on the accrual basis of accounting.

Per day, our Tapirs eat:

3.75 lbs **Maxim Wild Herbivore**

.5 lbs **Greens**

3.1 lbs **Produce**

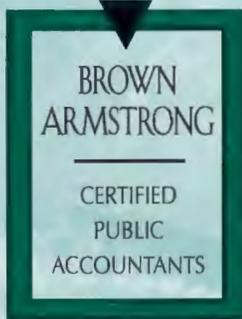


**FRESNO COUNTY ZOO AUTHORITY  
FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**For the Year Ended June 30, 2017**

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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Fresno County Zoo Authority (the Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

#### BAKERSFIELD OFFICE (MAIN OFFICE)

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TEL 661.324.4971  
FAX 661.324.4997  
EMAIL [info@bacpas.com](mailto:info@bacpas.com)

#### FRESNO OFFICE

7673 N. INGRAM AVENUE  
SUITE 101  
FRESNO, CA 93711  
TEL 559.476.3592  
FAX 559.476.3593

#### LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE  
SUITE 255  
LAGUNA HILLS, CA 92563  
TEL 949.652.5422

#### STOCKTON OFFICE

5250 CLAREMONT AVENUE  
SUITE 150  
STOCKTON, CA 95207  
TEL 209.451.4833

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the aggregate remaining fund information of the Authority, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2017, on our consideration of Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
October 27, 2017

**FRESNO COUNTY ZOO AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2017**

This section of the Fresno County Zoo Authority (Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2017. Please read the information contained in this discussion and analysis in conjunction with the Authority's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources (referred to as net position) at the end of the 2016-2017 fiscal year by \$1,409,078. This amount is considered restricted net position.
- Liabilities of the Authority totaled \$21,970 at June 30, 2017. This amount primarily consists of expenses related to professional and specialized services provided by the County of Fresno.
- The Authority's total net position increased by \$72,965 during fiscal year 2016-2017.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

**Statement of Net Position (condensed)**

|                           | <u>June 30, 2017</u> | <u>June 30, 2016</u> |
|---------------------------|----------------------|----------------------|
| <b>Assets:</b>            |                      |                      |
| Current assets            | \$ 1,431,048         | \$ 1,354,053         |
| <b>Total assets</b>       | <u>\$ 1,431,048</u>  | <u>\$ 1,354,053</u>  |
| <b>Liabilities:</b>       |                      |                      |
| Current liabilities       | \$ 21,970            | \$ 17,940            |
| <b>Total liabilities</b>  | <u>\$ 21,970</u>     | <u>\$ 17,940</u>     |
| <b>Net position:</b>      |                      |                      |
| Restricted                | \$ 1,409,078         | \$ 1,336,113         |
| <b>Total net position</b> | <u>\$ 1,409,078</u>  | <u>\$ 1,336,113</u>  |

**Statement of Activities (condensed)**

|                               | <u>June 30, 2017</u> | <u>June 30, 2016</u> |
|-------------------------------|----------------------|----------------------|
| <b>Revenues:</b>              |                      |                      |
| General revenues              | \$ 279,536           | \$ 296,618           |
| <b>Total revenues</b>         | <u>\$ 279,536</u>    | <u>\$ 296,618</u>    |
| <b>Expenses:</b>              |                      |                      |
| Governmental activities       | \$ 206,571           | \$ 100,080           |
| <b>Total expenses</b>         | <u>\$ 206,571</u>    | <u>\$ 100,080</u>    |
| <b>Net position beginning</b> | \$ 1,336,113         | \$ 1,139,575         |
| <b>Change in net position</b> | 72,965               | 196,538              |
| <b>Net position ending</b>    | <u>\$ 1,409,078</u>  | <u>\$ 1,336,113</u>  |

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

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

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

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

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

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

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

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

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

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,409,078 at the close of fiscal year 2016-2017. The Authority has no investments in capital assets.

**Governmental activities:** Governmental activities increased the Authority's net position by \$72,965 during fiscal year 2015-2016. The key element of this increase relates to sales tax revenue exceeding total expenditures by \$52,968.

#### **FINANCIAL ANALYSIS OF THE AUTHORITY FUNDS**

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

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

At June 30, 2017, the Authority's governmental fund reported a fund balance of \$1,409,078, an increase of \$72,965 in comparing to the balance of \$1,336,116 reported at June 30, 2016.

Revenues for the governmental fund totaled \$279,536 in fiscal year 2016-2017. Revenue was primarily comprised from Measure Z sales tax (93%). The remaining 7% was interest.

Expenditures for governmental funds totaled \$206,571 in fiscal year 2016-2017.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the 2016-2017 fiscal year, actual revenues were below those estimated in the final budget by \$4,418 due to a net decrease in sales tax revenue. Actual expenditures were above current year budgeted amounts by \$14,038. This difference in expenditures is primarily due to a greater use of encumbered, prior year expenditure for professional and specialized services, which incorporated into the overall, current year expenditures. Additional information regarding the encumbrance system can be found in the note to budgetary comparison schedule – general fund on page 24.

#### **REQUEST FOR INFORMATION**

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

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## **BASIC FINANCIAL STATEMENTS**

**FRESNO COUNTY ZOO AUTHORITY**  
**STATEMENT OF NET POSITION**  
**June 30, 2017**

|                            | Governmental<br>Activities |
|----------------------------|----------------------------|
| <b>ASSETS</b>              |                            |
| Cash and investments       | 1,376,340                  |
| Interest receivable        | 5,279                      |
| Due from other governments | 49,429                     |
| Total assets               | \$ 1,431,048               |
| <br><b>LIABILITIES</b>     |                            |
| Accrued liabilities        | 21,970                     |
| Total liabilities          | 21,970                     |
| <br><b>NET POSITION</b>    |                            |
| Restricted                 | 1,409,078                  |
| Total net position         | \$ 1,409,078               |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017**

| Functions/Programs       | Expenses   | Program Revenues -<br>Charges for Services | Operating Grants<br>and Contributions | Net Expenses and<br>Changes in Net<br>Position of<br>Governmental Activities |
|--------------------------|------------|--|---------------------------------------|--|
| Governmental activities- |            |  |                                       |  |
| General government       | \$ 206,571 | \$ -                                       | \$ -                                  | \$ (206,571)   |
| Total                    | \$ 206,571 | \$ -                                       | \$ -                                  | \$ (206,571)   |
| General revenues:        |            |  |                                       |  |
| Sales tax                |            |  |                                       | 259,539  |
| Interest                 |            |  |                                       | 19,997   |
| Total general revenues   |            |  |                                       | 279,536  |
| Change in net position   |            |  |                                       | 72,965   |
| Net position - beginning |            |  |                                       | 1,336,113  |
| Net position - ending    |            |  |                                       | \$ 1,409,078   |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUND  
June 30, 2017**

| <b>ASSETS AND<br/>DEFERRED OUTFLOWS OF RESOURCES</b>                       | <u>General Fund</u>     |
|--|-------------------------|
| Cash and investments   | \$ 1,376,340            |
| Interest receivable  | 5,279                   |
| Due from other governments   | 49,429                  |
| <br>Total assets   | <br><u>1,431,048</u>    |
| <br>Deferred outflows of resources   | <br>-                   |
| Total assets & deferred outflows of resources                              | <u>\$ 1,431,048</u>     |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES<br/>AND FUND BALANCE</b> |                         |
| Liabilities:   |                         |
| Accrued liabilities  | \$ 21,970               |
| <br>Total liabilities  | <br><u>21,970</u>       |
| <br>Deferred inflows of resources  | <br><u>-</u>            |
| Fund balance:  |                         |
| Restricted   | 1,409,078               |
| <br>Total fund balance   | <br><u>1,409,078</u>    |
| <br>Total liabilities, deferred inflows of resources, and<br>fund balance  | <br><u>\$ 1,431,048</u> |

**Reconciliation of the Balance Sheet to the Statement of Net Position**

|  |                     |
|--|---------------------|
| Total fund balance - governmental fund | \$ 1,409,078        |
| <br>Differences                        | <br><u>-</u>        |
| Net position - governmental activities | <u>\$ 1,409,078</u> |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
For the Year Ended June 30, 2017**

| <b>REVENUES</b>                          | <u>General Fund</u>     |
|--|-------------------------|
| Measure Z sales tax                      | \$ 259,539              |
| Interest                                 | <u>19,997</u>           |
| Total revenues                           | <u>279,536</u>          |
| <br>                                     |                         |
| <b>EXPENDITURES</b>                      |                         |
| Current:                                 |                         |
| Office expense                           | 6,314                   |
| Postage                                  | 512                     |
| PeopleSoft charges                       | 632                     |
| Professional and specialized services    | <u>199,113</u>          |
| Total expenditures                       | <u>206,571</u>          |
| <br>Excess of revenues over expenditures | <br><u>72,965</u>       |
| <br>Net change in fund balance           | <br>72,965              |
| <br>                                     |                         |
| <b>FUND BALANCE</b>                      |                         |
| <br>Fund balance - beginning             | <br><u>1,336,113</u>    |
| <br>Fund balance - ending                | <br><u>\$ 1,409,078</u> |

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

|  |                      |
|--|----------------------|
| Net change in fund balance - governmental fund       | \$ 72,965            |
| <br>Differences                                      | <br><u>-</u>         |
| <br>Change in net position - governmental activities | <br><u>\$ 72,965</u> |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY  
STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUND  
June 30, 2017**

|                                    | <u>Operations</u>           | <u>Capital<br/>Projects</u> | <u>Total</u>                |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                      |                             |                             |                             |
| Cash and investments               | \$ 6,001,526                | \$ 25,781,172               | \$ 31,782,698               |
| Due from other governments         | 807,321                     | 1,614,640                   | 2,421,961                   |
| Interest receivable                | 24,096                      | 95,259                      | 119,355                     |
|                                    | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Total assets                       | <u>\$ 6,832,943</u>         | <u>\$ 27,491,071</u>        | <u>\$ 34,324,014</u>        |
| <b>LIABILITIES</b>                 |                             |                             |                             |
| Due to other funds                 | <u>\$ -</u>                 | <u>\$ -</u>                 | <u>\$ -</u>                 |
| Total liabilities                  | <u>-</u>                    | <u>-</u>                    | <u>-</u>                    |
| <b>NET POSITION</b>                |                             |                             |                             |
| Held in trust for operations       | 6,832,943                   | -                           | 6,832,943                   |
| Held in trust for capital projects | <u>-</u>                    | <u>27,491,071</u>           | <u>27,491,071</u>           |
|                                    | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Total net position                 | <u>\$ 6,832,943</u>         | <u>\$ 27,491,071</u>        | <u>\$ 34,324,014</u>        |

The accompanying notes are an integral part of this statement.

**FRESNO COUNTY ZOO AUTHORITY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUND  
For the Year Ended June 30, 2017**

|  | <u>Operations</u>          | <u>Capital Projects</u>     | <u>Total</u>                |
|--|----------------------------|-----------------------------|-----------------------------|
| <b>ADDITIONS</b>                       |                            |                             |                             |
| Measure Z Sales tax                    | \$ 4,239,128               | \$ 8,478,258                | \$ 12,717,386               |
| Interest                               | 94,409                     | 322,355                     | 416,764                     |
| Total additions                        | <u>4,333,537</u>           | <u>8,800,613</u>            | <u>13,134,150</u>           |
| <b>DEDUCTIONS</b>                      |                            |                             |                             |
| Disbursements to non-profit            | <u>4,407,392</u>           | <u>130,675</u>              | <u>4,538,067</u>            |
| Total deductions                       | <u>4,407,392</u>           | <u>130,675</u>              | <u>4,538,067</u>            |
| Change in net position                 | (73,855)                   | 8,669,938                   | 8,596,083                   |
| Net position held in trust - beginning | <u>6,906,798</u>           | <u>18,821,133</u>           | <u>25,727,931</u>           |
| Net position held in trust - ending    | <u><u>\$ 6,832,943</u></u> | <u><u>\$ 27,491,071</u></u> | <u><u>\$ 34,324,014</u></u> |

The accompanying notes are an integral part of this statement.

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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **A. Reporting Entity**

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

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

#### **B. Basis of Presentation**

##### Government-wide Financial Statements

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fund Financial Statements

The fund financial statements provide information about the Authority's individual funds including governmental and fiduciary funds. Separate statements for each fund category are presented. The balance sheet and statement of revenues, expenditures, and changes in fund balance focus on the presentation of the major governmental fund, the general fund. These two statements are used to report information regarding the Authority's own operations and programs (up to 2% of Measure Z sales tax revenue). The statement of fiduciary net position and the statement of changes in fiduciary net position provide information regarding the 98% of sales tax proceeds and related disbursements, which are exclusively restricted for the support of zoos, zoological facilities, and related zoological purposes within the County. Disbursements of Measure Z funds during fiscal year ended June 30, 2017, were made to the Fresno's Chaffee Zoo Corporation (the entity operating the Fresno Chaffee Zoo).

The Authority reports the following major governmental fund:

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

The Authority reports the following fiduciary fund:

- The *Private-Purpose Trust Fund* is used to account for the portion of Measure Z sales tax proceeds (and related disbursements), exclusively restricted for the support of zoos, zoological facilities, and related zoological purposes within the County (no less than 98% of total Measure Z proceeds). During fiscal year ended June 30, 2017, disbursements of Measure Z funds were made to the Fresno's Chaffee Zoo Corporation (FCZC), which is the entity operating the Fresno Chaffee Zoo.

#### **C. Measurement Focus and Basis of Accounting**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

##### Cash and Investments

Investments for the Authority are reported at fair value.

##### Due from Other Governments

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

##### Accrued Liabilities

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

##### Net Position

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

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

##### Use of Management Estimates

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

## NOTES TO THE FINANCIAL STATEMENTS

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

A reconciliation of the total fund balance for the governmental fund to the total net position of governmental activities has been prepared as part of the basic financial statements. However, no differences were reported between total fund balance and total net position for the fiscal year ended June 30, 2017.

A reconciliation of the total net change in fund balance for the governmental fund to the total changes in net position of governmental activities has been prepared as part of the basic financial statements. However, no differences were reported between total net change in fund balance and total changes in net position for the fiscal year ended June 30, 2017.

### **NOTE 3 – CASH, INVESTMENTS, AND DEPOSITS**

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

### **NOTE 4 – BUDGET/DISBURSEMENTS**

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

Measure Z-funded line items of the Fresno Chaffee Zoo Corporation's (FCZC) operating and capital projects budgets for calendar years 2016 and 2017 were approved by the Authority's board. FCZC is the entity operating the Fresno Chaffee Zoo and functions separately from the Authority, operating on a calendar year basis (ending December 31). The Authority's oversight of FCZC extends only to the administration of Measure Z funds.

During fiscal year ended June 30, 2017, disbursements totaling \$4,538,067 were made to FCZC: \$4,407,392 for operations and \$130,675 for capital projects.

Undistributed sales tax revenue net of expenses incurred during the fiscal year are classified as "net position held in trust" in the statement of fiduciary net position. The balance reported at June 30, 2017, was as follows:

| <b>Held in Trust For:</b> |               |
|---------------------------|---------------|
| Operations                | \$ 6,832,943  |
| Capital projects          | 27,491,071    |
| Total                     | \$ 34,324,014 |

### **NOTE 5 – LIABILITIES**

Liabilities of the Authority totaled \$21,970 at June 30, 2017. This amount primarily consisted of expenses related to professional and specialized services provided by the County of Fresno.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6- FUND BALANCE

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

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

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

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

The Zoo Authority's general fund balance of \$1,409,078 is considered restricted. This is because the monies are derived from Measure Z and are required to be spent in a manner that is consistent with the limitations placed on its use.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 7 – RECENTLY RELEASED STANDARDS BY GASB

During the fiscal year ending June 30, 2017, the Authority implemented the following standards:

**GASB Statement No. 77 – Tax Abatement Disclosures.** The requirements of this statement are effective for reporting periods beginning after December 15, 2015. There was no effect on the Authority's accounting or financial reporting as a result of implementing this standard.

**GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.** The requirements of this statement are effective for reporting periods beginning after December 15, 2015. There was no effect on the Authority's accounting or financial reporting as a result of implementing this standard.

**GASB Statement No. 79 - Certain External Investment Pools and Pool Participants.** The requirements of this statement are effective for reporting periods beginning after December 15, 2015. There was no effect on the Authority's accounting or financial reporting as a result of implementing this standard.

**GASB Statement No. 80 - Blending Requirements for Certain Component Units –** an amendment of GASB Statement No. 14. The requirements of this statement are effective for reporting periods beginning after June 15, 2016. There was no effect on the Authority's accounting or financial reporting as a result of implementing this standard.

**GASB Statement No. 82 - Pension Issues –** an amendment of GASB Statements No. 67, No. 68, and No. 73. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. There was no effect on the Authority's accounting or financial reporting as a result of implementing this standard.

Recently released GASB standards affecting future years are as follows:

**GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans.** The provisions of GASB Statement No. 75 are effective for financial statements beginning after June 15, 2017. The Authority has not fully judged the effect of the implementation of GASB Statement No. 75 as of the date of the basic financial statements.

**GASB Statement No. 81 - Irrevocable Split-Interest Agreements.** The requirements of this statement are effective for periods beginning after December 15, 2016. The Authority has not fully judged the effect of the implementation of GASB Statement No. 81 as of the date of the basic financial statements.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – RECENTLY RELEASED STANDARDS BY GASB (Continued)**

**GASB Statement No. 85** – *Omnibus 2017*. The requirements of this statement are effective for periods beginning after June 15, 2017. The Authority has not fully judged the effect of the implementation of GASB Statement No. 85 as of the date of the basic financial statements.

**GASB Statement No. 86** – *Certain Debt Extinguishment Issues*. The requirements of this statement are effective for periods beginning after June 15, 2017. The Authority has not fully judged the effect of the implementation of GASB Statement No. 86 as of the date of the basic financial statements.

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

**NOTE 8 – BUDGET OVER APPROPRIATIONS**

Excess expenditures exceed the budgeted amounts at June 30, 2017 as follows:

|                                       |        |
|---------------------------------------|--------|
| General Fund                          |        |
| Office Expense                        | \$ 314 |
| Professional and specialized services | 19,630 |

**NOTE 9 – SUBSEQUENT EVENTS**

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the basic financial statements. Events were considered through October 27, 2017, which is the date of issuance of the Authority's independent audit report. The Authority identified no subsequent events that required disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Other than MD&A)**

**FRESNO COUNTY ZOO AUTHORITY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2017**

|  | <u>Budgeted Amounts</u> |                   | Actual<br>Amounts   | Variance<br>with Final<br>Budget |
|--|-------------------------|-------------------|---------------------|----------------------------------|
|  | <u>Original</u>         | <u>Final</u>      |                     |                                  |
| <b>Resources:</b>                      |                         |                   |                     |                                  |
| Sales tax                              | \$ 271,454              | \$ 271,454        | \$ 259,539          | \$ (11,915)                      |
| Interest                               | 12,500                  | 12,500            | 19,997              | 7,497                            |
| <b>Total resources</b>                 | <b>\$ 283,954</b>       | <b>\$ 283,954</b> | <b>\$ 279,536</b>   | <b>\$ (4,418)</b>                |
| <b>Charges to appropriations:</b>      |                         |                   |                     |                                  |
| Current:                               |                         |                   |                     |                                  |
| Office expenses                        | \$ 6,000                | \$ 6,000          | \$ 6,314            | \$ (314)                         |
| Professional and specialized services  | 179,483                 | 179,483           | 199,113             | (19,630)                         |
| Postage                                | 1,000                   | 1,000             | 512                 | 488                              |
| Data processing services               | 1,500                   | 1,500             | -                   | 1,500                            |
| Memberships                            | 500                     | 500               | -                   | 500                              |
| Transportation, travel, and education  | 2,500                   | 2,500             | -                   | 2,500                            |
| Publications and legal notices         | 500                     | 500               | -                   | 500                              |
| Telephone                              | 250                     | 250               | -                   | 250                              |
| PeopleSoft Financials Charges          | 800                     | 800               | 632                 | 168                              |
| Contingencies                          | -                       | -                 | -                   | -                                |
| <b>Total charges to appropriations</b> | <b>192,533</b>          | <b>192,533</b>    | <b>206,571</b>      | <b>(14,038)</b>                  |
| Change in net position                 | <u>\$ 91,421</u>        | <u>\$ 91,421</u>  | 72,965              | <u>\$ (18,456)</u>               |
| <b>NET POSITION</b>                    |                         |                   |                     |                                  |
| Net position - beginning               |                         |                   | <u>1,336,113</u>    |                                  |
| Net position - ending                  |                         |                   | <u>\$ 1,409,078</u> |                                  |

The accompanying notes are an integral part of this schedule.

**NOTE TO BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**Budgets and Budgetary Data**

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

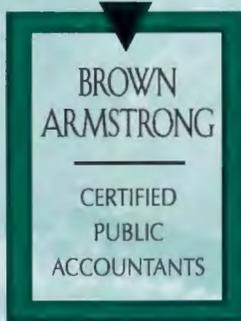
A budgetary comparison schedule for the general fund is presented on Page 24. Its purpose is to demonstrate compliance with the approved budget for fiscal year 2016-2017. Actual expenditures appearing on the schedule are presented using the accrual basis of accounting.

For fiscal year 2016-2017, \$107,552 of encumbered fiscal year 2015-2016 appropriations were expended in addition to \$99,019 in current appropriations for a total of \$206,571 in charges to appropriations.

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**OTHER AUDITOR'S REPORT**

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# BROWN ARMSTRONG

*Certified Public Accountants*

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

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

### **BAKERSFIELD OFFICE (MAIN OFFICE)**

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BAKERSFIELD, CA 93309  
TEL 661.324.4971  
FAX 661.324.4997  
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### **FRESNO OFFICE**

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FRESNO, CA 93711  
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FAX 559.476.3593

### **LAGUNA HILLS OFFICE**

23272 MILL CREEK DRIVE  
SUITE 255  
LAGUNA HILLS, CA 92563  
TEL 949.652.5422

### **STOCKTON OFFICE**

5250 CLAREMONT AVENUE  
SUITE 150  
STOCKTON, CA 95207  
TEL 209.451.4833

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of Fresno County Zoo Authority (the Authority), as of and for the year ended June 30, 2017, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 27, 2017.

### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
October 27, 2017

# Delicious and Nutritious!

## NOURISHMENT FOR OUR ANIMALS PAID BY MEASURE Z!

### VEGGIES:

Acorn Squash  
Asparagus  
Avocados  
Beets  
Bell Peppers  
*(Green, Red & Yellow)*  
Broccoli Florets  
Butternut Squash  
Carrots  
Cauliflower  
Celery  
Corn  
Cucumbers  
Eggplant  
Green Onions  
Green Beans  
Jalapenos  
Leeks  
Mushrooms  
Radishes  
Red Onions *(diced)*  
Sweet Potato  
Tomatoes  
Turnips

### LEAFY GREENS/HERBS:

Alfalfa Sprouts  
Cabbage *(White & Red)*  
Cilantro  
Collard Greens  
Cole Slaw  
Dandelion Greens  
Endive  
Kale  
Lettuce  
*(Green Leaf, Red Leaf & Romaine)*  
Mixed Vegetation  
Parsley *(Flat & Curly)*  
Shredded Lettuce  
Spinach  
Spring Mix  
Swiss Chard  
Tossed Salad Mix  
Turnip Greens  
Various Herbs

### FRUIT:

Apples  
Bananas  
Grapes  
Kiwi  
Mangos  
Papaya  
Peaches  
Pears  
Pineapple

### MELONS:

Cantaloupe  
Honeydew Melon  
Watermelon

### CITRUS:

Oranges  
Lemons  
Limes  
Grapefruit

### BERRIES:

Blueberries  
Raspberries  
Strawberries

### PROTIEN/ LEGUMES/NUTS:

Almonds  
Black Eyed Peas  
Bone-In & Boneless Beef  
Eggs  
Frozen Rodents  
Mixed Game  
Mixed Nuts in the Shell  
Pinto Beans  
Peanuts in the Shell  
Peanut Butter  
Sunflower Seeds  
Walnuts

### GRASSES/HAY:

Alfalfa  
Bermuda  
Forage  
Orchard

### VARIOUS EXOTIC ANIMAL NUTRITION:

Mazuri Brand  
*Various Animal Diet Foods*  
Herb Pellets

### FISH:

Capellin  
Pacific Herring  
Smelt  
Squid

### OTHER TREATS FOR ENRICHMENT/ REWARDS:

Cactus Pads  
Cheddar Cheese  
Cracker Jacks  
Dried Figs  
Honey  
Jelly Beans  
Jack Cheese  
Raisins  
Sugar Free Jello  
Yogurt

FOOD STATS PROVIDED BY:  
Brooke Stowell,  
Lead Keeper  
Fresno Chaffee Zoo

*List provided for  
nourishment is a  
partial list but may  
not include all items  
purchased on an  
annual basis.*



TOTAL SPENT FOR THE  
YEAR ON NOURISHMENT

**\$375,211.19**

Per day, our Anteaters eat:  
3.1 lbs insectivore chow  
and 5 avocados (weekly)

Thank You for Your Support!

