

**Blank Park Zoo Foundation, Incorporated  
and Affiliate  
Des Moines, Iowa**

**CONSOLIDATED FINANCIAL REPORT**

**March 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Blank Park Zoo Foundation, Incorporated and Affiliate  
Des Moines, Iowa

We have audited the accompanying consolidated financial statements of Blank Park Zoo Foundation, Incorporated and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of March 31, 2019, and the related consolidated statements of activities and cash flows for the seventeen month period then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 an opinion on these consolidated 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 consolidated 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 Foundation's preparation and fair presentation of the consolidated 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 Foundation'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 consolidated financial statements.

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

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Blank Park Zoo Foundation, Incorporated and Affiliate as of March 31, 2019, and the changes in its net assets and its cash flows for the seventeen month period then ended in accordance with accounting principles generally accepted in the United States of America.

*Denman & Company, LLP*  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
July 17, 2019

**Blank Park Zoo Foundation, Incorporated and Affiliate**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**March 31, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 323,908
Accounts receivable	
City of Des Moines	72,500
Other	9,219
Contributions receivable	90,269
Inventory	199,212
Prepaid expenses	<u>86,729</u>
Total current assets	<u>781,837</u>

**NONCURRENT ASSETS**

Interest in assets held at Community Foundation of Greater Des Moines	9,217,646
Cash restricted for investment in land, building, and equipment	622,225
Contributions receivable restricted to investment in land, building and equipment, net	34,147
Property and equipment, net of accumulated depreciation	<u>18,006,975</u>
Total noncurrent assets	<u>27,880,993</u>
 Total assets	 <u>\$28,662,830</u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 240,932
Accrued compensation	381,050
Deferred memberships	522,632
Event deposits	<u>227,490</u>
Total current liabilities	<u>1,372,104</u>

**NET ASSETS**

Unrestricted net assets	
Undesignated	16,673,475
Board-designated	<u>9,817,723</u>
Total unrestricted net assets	<u>26,491,198</u>
Temporarily restricted	<u>799,528</u>
Total net assets	<u>27,290,726</u>
 Total liabilities and net assets	 <u>\$28,662,830</u>

**Blank Park Zoo Foundation, Incorporated and Affiliate**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
For the seventeen month period ended March 31, 2019

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions	\$ 1,185,937	\$ 792,357	\$ 1,978,294
Fundraising events, net of expenses of \$66,923	86,835	-	86,835
Zoo revenues	4,405,629	-	4,405,629
Memberships	1,465,306	-	1,465,306
BRAVO	212,500	-	212,500
City of Des Moines	410,833	-	410,833
Investment return	382,627	1,633	384,260
Net assets released from restrictions	<u>1,323,817</u>	<u>(1,323,817)</u>	<u>-</u>
Total revenue	<u>9,473,484</u>	<u>(529,827)</u>	<u>8,943,657</u>
<b>EXPENSES</b>			
Program services	8,940,269	-	8,940,269
Fundraising	341,995	-	341,995
Management and general	<u>1,417,181</u>	<u>-</u>	<u>1,417,181</u>
Total expenses	<u>10,699,445</u>	<u>-</u>	<u>10,699,445</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>			
Uncollectible contributions receivable	(1,225,961)	(529,827)	(1,755,788)
Gain on disposal of property and equipment	<u>(87,800)</u>	<u>-</u>	<u>(87,800)</u>
	<u>4,240</u>	<u>-</u>	<u>4,240</u>
<b>CHANGE IN NET ASSETS</b>			
	(1,309,521)	(529,827)	(1,839,348)
<b>NET ASSETS</b>			
Beginning of the year, as restated	<u>27,800,719</u>	<u>1,329,355</u>	<u>29,130,074</u>
End of year	<u>\$26,491,198</u>	<u>\$ 799,528</u>	<u>\$27,290,726</u>

See Notes to Consolidated Financial Statements.

**Blank Park Zoo Foundation, Incorporated and Affiliate**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the seventeen month period ended March 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$(1,839,348)
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Depreciation expense	1,275,112
Contributions restricted for long-term purposes, net	(1,249,799)
Unrealized and realized (gains) on investments	(93,518)
Reinvested dividends	(391,641)
Purchase of animal collection	10,835
(Gain) on disposal of equipment	(4,240)
Change in assets and liabilities	
Accounts receivable	(40,532)
Other contributions receivable	44,372
Inventory	(122,948)
Prepaid expenses	(17,009)
Accounts payable and accrued expenses, net of property and equipment payables	(107,537)
Accrued compensation	(23,508)
Deferred memberships	64,039
Event deposits	<u>209,143</u>
Net cash flows from operating activities	<u>(2,286,579)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments	(509,578)
Proceeds from sale of investments	660,744
Purchase of property, equipment, and animal collection	(1,445,083)
Proceeds from the sale of equipment	<u>4,240</u>
Net cash flows from investing activities	<u>(1,289,677)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Contributions received for long-term purposes	1,274,410
Net cash flows from financing activities	<u>1,274,410</u>

**NET DECREASE IN CASH**

(2,301,846)

**CASH**

Beginning	<u>3,247,979</u>
Ending	<u>\$ 946,133</u>

**RECONCILIATION OF CASH PER CONSOLIDATED STATEMENT OF CASH FLOWS TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Per consolidated statement of financial position	
Cash	\$ 323,908
Cash restricted for investment in land, building, and equipment	<u>622,225</u>
Total per consolidated statement of cash flows	<u>\$ 946,133</u>

**SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES**

In-kind contribution of property and equipment	<u>\$ 492,000</u>
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See Notes to Consolidated Financial Statements.

**Blank Park Zoo Foundation, Incorporated and Affiliate  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Blank Park Zoo Foundation, Incorporated is a nonprofit corporation organized under the laws of the state of Iowa for the purpose of supporting the Blank Park Zoo, which is located in Des Moines, Iowa. The primary purposes of the Foundation are as follows: a) to manage the Blank Park Zoo utilizing sound principles and administrative policies; b) to solicit, collect and provide funds, and to receive gifts and bequests for securing and maintaining animals, and improving facilities and programs of the Zoo; c) to promote interest among the general public concerning the Zoo; d) to implement and assist where possible, through the use of the Zoo, the study of zoological natural history, animal behavior and the science allied therewith; and e) to provide charitable and educational assistance in association with the Zoo, and to solicit and accept contributions, gifts, grants and funds which along with the income therefrom, shall be held, administered and expended for the use and direct benefit of the Zoo.

Blank Park Endowment Corporation was organized under the laws of the State of Iowa as a nonprofit corporation exclusively for the benefit of, to support the functions of, and to assist in carrying out the purposes of the Blank Park Zoo Foundation, Incorporated, and is organized, and at all times hereafter, is operated exclusively for the benefit of the Blank Park Zoo Foundation, Incorporated.

Effective November 1, 2017, the Foundation changed its fiscal year end from October 31, to March 31. Management has elected to include the activity of the transition period of November 1, 2017 through March 31, 2018 in its financial statements for the 2019 fiscal year. Therefore, these financial statements include the activity for the seventeen months ended March 31, 2019.

**Basis of Consolidation**

The accompanying consolidated financial statements include the accounts of Blank Park Zoo Foundation, Incorporated and its affiliate, Blank Park Endowment Corporation (collectively known as the Foundation), which have been consolidated in accordance with the Not-for-Profit Entities Consolidation Topic of the *FASB Accounting Standards Codification*. All significant intercompany accounts and transactions between entities have been eliminated in consolidation.

**Basis of Presentation**

As required by the Not-for-Profit Entities Topic of the *FASB Accounting Standards Codification*, the Foundation reports information regarding its financial position and activities according to three classes of net assets:

*Unrestricted* net assets are those assets that are neither temporarily restricted nor permanently restricted by donor-imposed stipulations. The Foundation's governing board may earmark portions of its unrestricted net assets as board-designated for various purposes. Contributions which were given with donor-imposed stipulations whose restrictions are met in the year received are reported as unrestricted contributions.

*Temporarily restricted* net assets represent contributions or other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Foundation pursuant to those stipulations. As donor-imposed stipulations expire, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction.

*Permanently restricted* net assets represent contributions or other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. The Foundation has no permanently restricted net assets as of March 31, 2019.

**Blank Park Zoo Foundation, Incorporated and Affiliate**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates**

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash**

Cash consists of deposits in checking and savings accounts. Money market funds held in brokerage accounts are classified as investments. Cash restricted by the donor for long-term use is classified as cash restricted for investment in land, building, and equipment.

**Interest in Assets Held at the Community Foundation of Greater Des Moines**

The Foundation values its interest in Assets Held at the Community Foundation of Greater Des Moines (CFGDM) at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the accompanying consolidated statement of activities. Investment income limited by restrictions are reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as when recognized.

**Accounts Receivable**

The Foundation records receivables for program services at the amount billed for such services at the time the service was performed. Accounts receivable are carried at the amount the Foundation expects to collect on balances outstanding at year end. An allowance for doubtful accounts is recorded when accounts are deemed uncollectible. The Foundation considers all accounts fully collectible and, therefore, an allowance for doubtful accounts has not been recorded.

**Restricted and Unrestricted Revenue and Support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Contributions and Grants Receivable**

Unconditional contributions receivable are recognized as receivables and contributions in the period received. Unconditional contributions receivable restricted by the donor for long-term use has been classified as contributions receivable for investment in land, building, and equipment. Conditional contributions receivable are recognized only when the conditions on which they depend are substantially met. An allowance for uncollectible contributions is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity. At March 31, 2019, the allowance for uncollectible contributions was \$15,000.

Unconditional contributions that are expected to be collected within one year are recorded at their net realizable value. Unconditional contributions that are expected to be collected in future years are recorded at fair value using present value techniques. Amortization of the discount is included in contribution revenue.



**Blank Park Zoo Foundation, Incorporated and Affiliate  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Inventory**

Inventory is stated at cost, based on the average cost method. Inventory consists of food and gift shop items.

**Property and Equipment**

Property and equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Donated equipment is recognized at its estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

The estimated useful lives of assets are as follows:

<u>Asset Class</u>	<u>Estimated useful lives</u>
Buildings and exhibits	5 – 40 years
Computer equipment	5 years
Land improvements	15 years
Leasehold improvements	5 – 20 years
Vehicles	5 years
Equipment	5 – 7 years

**Income Taxes**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes has been made.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) for an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated their material tax positions and determined there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosures in the financial statements. The Foundation is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. Management believes the Foundation is no longer subject to income tax examinations for tax years prior to 2014.

**Credit Risk**

The Foundation at various times throughout the year has amounts on deposit with financial institutions in excess of FDIC limits.

**Functional Allocation of Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**Advertising**

Advertising costs are expensed as incurred. Advertising expense totaled \$261,354 for the seventeen month period ended March 31, 2019.

**Blank Park Zoo Foundation, Incorporated and Affiliate  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Animal Collections**

In accordance with industry practice, the Foundation does not capitalize animal collections. Animal acquisitions are reported as expenses in the period of acquisition. The Foundation recorded \$10,835 in animal acquisition expenses for the period ended March 31, 2019. The Foundation's animal collection consists of over 1,500 specimens and approximately 200 different species.

**Revenue Recognition**

Grant revenues are recognized in revenue when the conditions on which they depend are substantially met (for example, by incurring allowable costs or providing units of service). If there are no conditions, the grant revenue is recognized when the grantor informs the Organization of its promise of the unconditional grant.

**NOTE 2 INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION OF GREATER DES MOINES**

The Foundation has an interest in assets held at the Community Foundation of Greater Des Moines (CFGDM). The assets were invested with a separate investment management firm selected by the Foundation. The Foundation may request these assets or the net investment income of these assets at any time from the CFGDM. Distributions are not subject to variance power (ie, the CFGDM does not have the power to redirect the assets or the net investment income to an entity other than the Foundation).

The Foundation's interest in assets held at the Community Foundation of Greater Des Moines at March 31, 2019 is summarized as follows:

	<u>Fair value</u>	<u>Cost</u>	<u>Unrealized appreciation (depreciation)</u>
Money market funds	\$ 265,433	\$ 265,433	\$ -
Fixed income securities	1,764,960	1,797,245	(32,285)
Equity securities	4,933,804	4,460,671	473,133
Alternative investments	1,326,429	1,348,546	(22,117)
Real assets	<u>927,020</u>	<u>861,987</u>	<u>65,033</u>
Totals	<u>\$9,217,646</u>	<u>\$8,733,882</u>	<u>\$ 483,764</u>
Components of investment return			
Interest and dividend income			\$ 392,277
Realized gain on sale of investments			329,786
Unrealized (loss) from adjustment to market value			(236,268)
Investment fees			<u>(101,535)</u>
Total investment return			<u>\$ 384,260</u>

**Blank Park Zoo Foundation, Incorporated and Affiliate  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 3 FAIR VALUE MEASUREMENTS**

The Fair Value Measurements and Disclosures Topic of the *FASB Accounting Standards Codification* requires a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the Topic are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The fair value of certain investments held in money market funds, equity securities, alternative investments, and real assets are based on quoted prices in active markets.
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly. The fair value of fixed income securities is based on quoted prices of similar assets in inactive markets.
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. The Foundation does not have any Level 3 investments as of March 31, 2019.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Foundation's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future market values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at March 31, 2019 are as follows:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 265,433	\$ 265,433	\$ —	\$ —
Fixed income securities	1,764,960	—	1,764,960	—
Equity securities	4,933,804	4,933,804	—	—
Alternative investments	1,326,429	1,326,429	—	—
Real assets	<u>927,020</u>	<u>927,020</u>	<u>—</u>	<u>—</u>
Totals	<u>\$9,217,646</u>	<u>\$7,452,686</u>	<u>\$1,764,960</u>	<u>\$ —</u>

**Blank Park Zoo Foundation, Incorporated and Affiliate  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 4 CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable at March 31, 2019 consist of unconditional contributions and grants primarily from individuals, governmental entities and corporations in the State of Iowa. The future collections of contributions and grants receivable as of March 31, 2019 are as follows:

**Year ending March 31**

2020	\$ 106,416
2021	17,500
2022	<u>15,500</u>
Total contributions receivable	139,416
Less allowance for uncollectible contributions receivable	<u>15,000</u>
Net contributions receivable	<u>\$ 124,416</u>
Reconciliation to consolidated statement of financial position	
Contributions receivable	\$ 90,269
Contributions receivable restricted for investment in land, building, and equipment, net	<u>34,147</u>
Total	<u>\$ 124,416</u>

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment as of March 31, 2019 consists of the following:

Building and exhibits	\$16,714,705
Land improvements	2,990,687
Leasehold improvements	1,544,260
Vehicles	205,112
Computer equipment	317,311
Equipment	596,342
Construction in progress	<u>160,375</u>
	22,528,792
Less accumulated depreciation	<u>4,521,817</u>
Property and equipment, net	<u>\$18,006,975</u>

Construction in progress at March 31, 2019 consists predominantly of improvements to the Foundation's Big Cats exhibit. The project is expected to be completed in the upcoming fiscal year and will be funded through cash reserves.

**NOTE 6 AGREEMENTS WITH THE CITY OF DES MOINES**

The Foundation has entered into an Operation, Management and Maintenance Agreement with the City of Des Moines. The purpose of the agreement is for the Foundation to more fully undertake and implement the goals of the Super Block Master Plan relating to the Zoo and for the Foundation to enhance and improve the Park and the Zoo by being responsible for the construction of additional improvements and assuming full operating responsibility for the Zoo and the Park. The term of the agreement began May 1, 2011 and will continue through December 31, 2031, unless otherwise terminated, and contains a provision to automatically renew for two additional twenty year terms.

**Blank Park Zoo Foundation, Incorporated and Affiliate  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 6 AGREEMENTS WITH THE CITY OF DES MOINES (continued)**

The City transferred ownership of certain furniture, equipment, supplies, materials, inventories, vehicles and other personal property used in the operation of the Zoo to the Foundation. The City also transferred ownership of all animals to the Foundation.

In consideration of the Foundation managing, operating and maintaining the property and for providing recreation, educational and other services to the general public, the City leases the property comprising the Zoo to the Foundation for \$1 a year for the initial twenty year term of the agreement and any renewal term.

The City will continue to provide the Foundation annual funding for the operation of the Zoo in the amount of \$290,000 through December 31, 2031.

Accounts receivable from the City related to the above agreements was \$72,500 as of March 31, 2019.

**NOTE 7 BOARD-DESIGNATED NET ASSETS**

The Foundation's board has designated unrestricted net assets at the end of the fiscal year to fund the endowment and various other future liabilities of the Foundation. Unrestricted board-designated net assets as of March 31, 2019 are as follow:

Conservation	\$ 55,839
Designated for future capital projects	500,000
Infrastructure and maintenance	88,949
Endowment	<u>9,172,935</u>
	<u>\$9,817,723</u>

**NOTE 8 RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes at March 31, 2019:

Capital improvements	\$ 656,372
Conservation	10,000
Education	15,000
Endow Iowa Fund	27,887
Time restrictions	<u>90,269</u>
Total	<u>\$ 799,528</u>

**NOTE 9 RETIREMENT PLAN**

The Foundation has a Section 401(k) retirement plan covering employees who have met the eligibility requirements. To be eligible, an employee must meet certain hours worked requirements and be age 21. The Foundation's contributions to the plan are discretionary. Contributions to the plan for the period ended March 31, 2019 were \$57,424.

**Blank Park Zoo Foundation, Incorporated and Affiliate**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 10 ENDOWMENT FUNDS**

The Foundation's endowment funds consist of board-designated net assets which are available for endowment purposes and temporarily restricted net assets. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has adopted the practice of 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. In accordance with the Iowa Prudent Management of Institutional Funds Act (IPMIFA), the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Endowment net asset composition by type of fund as of March 31, 2019 is as follows:

	<u>Temporarily restricted</u>	<u>Unrestricted</u>	<u>Total net endowment assets</u>
Donor-restricted	\$ 42,887	\$ —	\$ 42,887
Board designated	<u>—</u>	<u>9,172,935</u>	<u>9,172,935</u>
	<u>\$ 42,887</u>	<u>\$9,172,935</u>	<u>\$9,215,822</u>

The change in endowment net assets was as follows for the period ended March 31, 2019:

	<u>Temporarily restricted</u>	<u>Board- designated</u>	<u>Total</u>
Balance, beginning of period	\$ 44,412	\$9,339,241	\$9,383,653
Contributions	—	1,900	1,900
Interest and dividends	1,079	399,820	400,899
Realized gains on sale of investments	734	329,052	329,786
Unrealized (losses) on investments	(180)	(236,088)	(236,268)
Expenditures	<u>(3,158)</u>	<u>(660,990)</u>	<u>(664,148)</u>
Balance, end of period	<u>\$ 42,887</u>	<u>\$9,172,935</u>	<u>\$9,215,822</u>

On an annual basis, the Board has committed to designate up to five percent of the annual average fund balance to be used for operations or for other purposes. For this purpose, the endowment fund transferred \$559,844 to undesignated net assets in 2019.

**Blank Park Zoo Foundation, Incorporated and Affiliate**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 11 RESTATEMENT**

During 2019, the Foundation changed its accounting policy regarding recognition of membership revenue. Under the new accounting policy, the Foundation will recognize membership revenue over the membership term as allowed under FASB Codification 958-605 Revenue Recognition while under the previous accounting policy, memberships were recognized as income in the month the membership was purchased.

Net assets, October 31, 2017, as previously reported	\$29,588,667
Change in accounting principle pertaining to membership revenues	<u>(458,593)</u>
Net assets, October 31, 2017, as restated	<u>\$29,130,074</u>

**NOTE 12 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through July 17, 2019, the date which the financial statements were available to be issued. There were no subsequent events required to be accrued or disclosed.



## INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Directors  
Blank Park Zoo Foundation, Incorporated and Affiliate  
Des Moines, Iowa

We have audited the consolidated financial statements of Blank Park Zoo Foundation, Incorporated and Affiliate as of and for the seventeen month period ended March 31, 2019, and have issued our report thereon dated July 17, 2019, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The following supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*Denman & Company, LLP*  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
July 17, 2019



**Blank Park Zoo Foundation, Incorporated and Affiliate**  
**SCHEDULE OF ZOO REVENUES**  
**For the seventeen month period ended March 31, 2019**

Admissions	\$1,709,080
Special events	707,329
Educational programs	352,451
Train rides	214,781
Camel rides	43,926
Carousel rides	66,952
Kid's Kingdom	107,692
Other Zoo experiences	130,657
Rentals	127,099
Vending	27,200
Stroller rental	7,086
Gift shop	836,782
Food	
Grill	43,361
Catering	12,076
Miscellaneous income	<u>19,157</u>
 Total Zoo revenues	 <u>\$4,405,629</u>

**Blank Park Zoo Foundation, Incorporated and Affiliate**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**For the seventeen month period ended March 31, 2019**

	<u>Program services</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Total</u>
Salaries	\$3,696,972	\$ 236,485	\$ 664,367	\$ 4,597,824
Payroll taxes	366,279	23,410	65,768	455,457
Employee benefits	353,368	21,846	67,636	442,850
Contract labor	98,875	—	35,000	133,875
	<u>4,515,494</u>	<u>281,741</u>	<u>832,771</u>	<u>5,630,006</u>
Animal care	454,624	—	—	454,624
Veterinary and laboratory	166,030	—	—	166,030
Conservation support	138,229	—	—	138,229
Educational programs	58,454	—	—	58,454
Guest experiences	48,397	—	—	48,397
Membership	84,666	—	—	84,666
Special events	336,116	—	—	336,116
Annual giving	—	43,711	—	43,711
Marketing	261,354	—	—	261,354
Merchandise for resale	383,686	—	—	383,686
Utilities	327,171	—	—	327,171
Repairs and maintenance	555,731	—	—	555,731
Waste removal	24,595	—	—	24,595
Protection and security	112,201	—	—	112,201
Telephone and internet	49,654	1,241	11,172	62,067
Photocopy and reproduction	—	—	38,372	38,372
Insurance	112,483	—	44,947	157,430
Licenses and permits	10,324	—	7,488	17,812
Dues and subscriptions	—	—	65,011	65,011
Postage and delivery	—	11,500	26,061	37,561
Meetings/promotion	—	—	5,634	5,634
Information technology	—	—	63,918	63,918
Bank charges and fees	—	—	153,394	153,394
Payroll fees	—	—	48,933	48,933
Professional fees	—	—	55,922	55,922
Board expense	—	—	16,118	16,118
Travel and training	50,492	1,306	11,370	63,168
Mileage	7,955	548	1,441	9,944
Depreciation	1,242,613	1,948	30,551	1,275,112
Miscellaneous operating expenses	—	—	4,078	4,078
	<u>\$8,940,269</u>	<u>\$ 341,995</u>	<u>\$1,417,181</u>	<u>\$10,699,445</u>
Totals				